

# **The Dynamics of Public Sector Reform: Implementation of the Position Classification System in Bhutan**

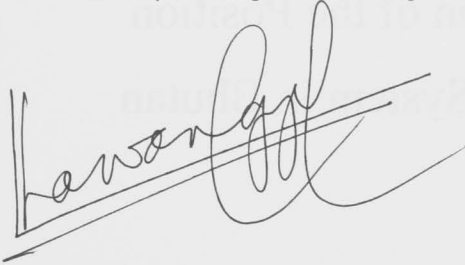
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**A thesis submitted for the degree of Doctor of Philosophy of The  
Australian National University**

**June 30, 2014**

## Candidate's Declaration

This thesis is my own original work except where cited.

A handwritten signature in black ink, appearing to read 'Lhawang Ugyel', with a long horizontal line extending from the end of the signature.

Lhawang Ugyel





## Abstract

In recent decades the intensity with which governments have initiated public sector reforms increased tremendously. Amidst such a flurry of reforms, Bhutan's government implemented the Position Classification System (PCS) reforms in 2006. The PCS represented a major tranche of public sector reforms that included human resource management and performance management components. The implementation of the PCS, which was based on international "best practices", met with sharp criticism in Bhutan. This thesis, using the implementation of the PCS in Bhutan as a case study, examines the dynamics of public sector reforms and discusses the convergences and divergences in the public sector reform trajectory.

In doing so, three key aspects of the "dynamics" of public sector reform are analysed in this thesis. The first aspect is the debate over "revolutionary" or "evolutionary" nature of the reform. Through the concept of paradigms in public administration, this thesis identifies an ideal type typology of public administration, and distinguishes the components of the PCS as normal policy making (evolutionary reform) and paradigm-shift policy (revolutionary reform). On the basis of the ideal type typology, the thesis demonstrates that Bhutan's public administration is hybrid with combinations of characteristics of the various paradigms and models of public administration. The second aspect of the dynamics of public sector reforms is the effect of the scope and timing on the evaluation of the reforms. Based on the data gathered from in-depth interviews and an opinion survey of the Bhutanese civil servants in 2011, the thesis evaluates the various dimensions of the PCS. The third aspect of the dynamics of public sector reform is the drivers of the reform and their forms of interaction. In examining the main drivers of the PCS, the thesis explores topical topics on public sector reforms such as policy transfer, ideas and symbolism, stakeholder participation, and change management. One of the main findings of the thesis is the interaction between the reforms and the context and culture of the administrative system that these reforms are applied in. Using Geert Hofstede's Value Survey Module to generate original values for the culture of Bhutan, the thesis demonstrates the importance of context and culture in the implementation of public sector reforms.

The thesis provides one of the first comprehensive historical analyses of public sector reforms in Bhutan, a country that is relatively understudied. The thesis is also one of the few empirical studies that maps the ideal types based on the paradigms of public administration to a country's administrative system. To suit Bhutan's monarchical political context, the ideal type typology includes the patronage system as one of the models. Another significant contribution of the thesis is that it is one of the few empirical studies, which evaluate policy by using a revisionist approach that combines the rationalist and the argumentative traditions. Finally, the thesis serves as a basis for the next set of public sector reforms to be implemented in Bhutan's civil service through a set of policy recommendations based on the experience of the PCS.

## Dedication

I would like to dedicate this thesis to the memory of my paternal grandfather, *Dasho* Babu Tashi. Exactly 100 years ago to this day, he was amongst the first group of Bhutanese students to undertake a Western system of education.

## Acknowledgments

At the end of this PhD journey, I would like to thank all those who have helped make it fulfilling and enriching. First and foremost, I must thank my supervisor, Professor Janine O'Flynn of the University of Melbourne. As a practising Buddhist, I subscribe to the belief that the teacher (or *guru*) is ultimately the most important person who helps to lead to the path of wisdom and enlightenment. In my case, Janine played this very important role! Almost single-handedly, she provided guidance, support and advice that not only shaped the content of my thesis but also my perspective to scholarly work. I would also like to thank my other supervisor, Associate Professor Yusaku Horiuchi of Dartmouth College, for all the help and guidance on the rigorous methodological aspects of my thesis and exposing me to sophisticated quantitative analysis.

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Finally, I would like to thank my wonderful family for supporting and bearing with me during the PhD journey, which can at times be quite emotionally draining and unpredictable: my daughter, Deyzang J C Ugyel, who is my source of joy; my son, R Yonten Ugyel, who is my source of pride; and my wife, Tshoki Khandu, who is my source of support and inspiration!

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# Chapter 1: Introduction

## 1.1 Introduction

Governments have long initiated public sector reforms. In doing so, they have strived to improve existing systems and processes. In this sense, "reform" indicates a 'deliberate move from a less desirable (past) state to a more desirable (future) state' and implies that a 'beneficial change' will take place (Pollitt and Bouckaert 2004, 15). Reforms are often introduced as a response to shortcomings of the previous system (Hughes 2003) and involve 'doing the old things in different ways' or discovering 'new things that need doing' (Halligan 2001, 8). Numerous definitions of public sector reforms have been offered by various scholars. Turner and Hulme (1997, 106) point out that one of the elements of the definition of administrative reform is the 'deliberate planned change to public bureaucracies'. Barzelay and Jacobsen (2009, 332) view it as a 'process of managerial innovation in government'. Others, such as Pollitt and Bouckaert (2004, 6), view public sector reforms as a 'means to multiple ends'. According to Lane (1997, 12) public sector reform is something that 'no government can do without' and 'since all governments attempt it, each and every government must engage in it'. Even in earlier periods in the Persian, Egyptian and Chinese empires, reforms to the public administrative systems were being implemented (Farazmand 1997). In more recent times, the end of the colonial period led to an increase in the number of independent states, adding to the urgency to engage in comparative public administration (Jreisat 2010). And in more recent decades, with the changes in areas such as an emergence of transnational networks, development of information and communication technologies and global economic development, public sector reforms have spread across countries extensively.

In the application of public sector reform, however, most authors (for example, Askim et al. 2010, Baker 2004, Cheung and Scott 2003, Common 2001, Halligan 2001, Jones and Kettl 2004, Klitgaard 1997, Nolan 2001, Olsen 2005, Pollitt and Bouckaert 2011, Wise 2002) agree that reforms are dependent on the context and culture of the countries that the reforms are applied within. The choice of reforms depend on: different needs, political pressures, historical traditions (Aberbach and Christensen 2003, 504); specific

structural and cultural characteristics based on their ‘administrative arena’ and ‘administrative tradition’ (Capano 2003, 788); differences in national reform paths and reform patterns (Hajnal 2005, 496); and the broader state-civil society relations within which the reforms are embedded (Brandsen and Kim 2010, 368). Even for countries that have been seen as relatively similar in terms of development, there have been apparent differences in the implementation of public sector reforms. In a cross-country comparison of six developed countries, Gualmini (2008, 81) points out differences in reform trends in their implementation between the English-speaking nations (such as the US and UK) and the Continental European systems. Similarly Torres (2004, 109–110) also notes the differences in market-oriented reforms and management of human resources between the Anglo-American experience and the European continental countries. Differences in implementation of public sector reforms also arise between Western and non-Western countries whose state histories and trajectories of development are radically different. In the case of developing countries, the contextual differences within which reforms are implemented are stark, and transfer of public sector reforms from the developed countries to the developing countries is often fraught with inconsistencies and confusion during implementation. In some developing countries values such as hierarchy, kinship and communal networks continue to influence the performance of the public sector (Andrews 2008; Cheung and Scott 2003; Klitgaard 1997). In addition, it has been argued that elite actors in the governance system in developing countries rarely encourage reforms since they gain from inefficient administrations (Baker 2004). Olsen (2005, 16) also argues that adopting reforms based on Anglo-Saxon prescriptions is likely to have ‘detrimental’ and ‘disastrous’ consequences, particularly when they are made within short time frames and tight budgetary constraints.

Amidst such a flurry of public sector reform initiatives, Bhutan, a small land-locked country wedged between China to its north and India to its south, has engaged extensively in public sector reforms since the 1960s when it opened itself up to international engagement and initiated planned economic development. With a total land area of 38,394 square kilometres inhabited by approximately 700,000 people (NSB 2009), Bhutan falls within the lower middle income country category with a per capita income in 2009 based at US\$2,020 (World Bank 2011). Table 1 shows some socio-economic trends of Bhutan and it highlights the pace of Bhutan’s development. Within

a span of 30 years, that is from 1980 to 2012, life expectancy increased by 21 years, expected years of schooling by 8 years and Gross National Income (GNI) per capita by almost 470%.

**Table 1 Bhutan's HDI trends**

Year	Life Expectancy at Birth	Expected Years of Schooling	Mean Years of Schooling	GNI Per Capita (2005 PPPS)	HDI Value
1980	46.3	4			
1985	49.3	4		926	
1990	52.5	4		1,772	
1995	56.7	4		2,237	
2000	61.3	7.7		2,649	
2005	64.8	9.6		3,030	
2010	66.8	12	2.3	4,478	0.525
2011	67.2	12.4	2.3	4,806	0.532
2012	67.6	12.4	2.3	5,246	0.538

Source: Reproduced from Human Development Report 2013 (2013, 2)

The start of development activities in Bhutan also resulted in changes to the traditional institutions which were based on a strong tradition of Tibetan Buddhism. A series of public sector reforms were initiated throughout the decades of the 1960s till recently. In 1972, the first set of civil service rules was drafted, establishing uniform service conditions for all civil servants and setting standards for employment and promotions. Again in 1982, responding to the changing needs and diversified environment, through the Royal Charter the Royal Civil Service Commission (RCSC) was established to motivate and promote morale, loyalty and integrity among the civil servants by ensuring uniformity of personnel actions in the civil service (RCSC 1982). Subsequently in 1990, the Cadre System was introduced to minimise disparities in the entry-level grades and career advancement opportunities. The most recent public sector reform that has been initiated by the Bhutanese government was the Position Classification System (hereafter referred to as PCS), which was implemented in 2006. The PCS represented a major tranche of public sector reforms that included the key components of performance management, recruitment, promotions and training. Bhutan's public sector played an important role in the development of the country, while simultaneously building its own institutions, organizations and capacities.

## 1.2 Problem statement

The PCS reform was initiated at a time when elements of public sector reforms based on market and economic principles were being attempted by many countries. Amidst such a spread, there has been a mix of success and failure in the implementation of such reforms. The mix of these results has been attributed to both the nature of the reforms and the variations in the context and culture of the public administrative systems when they were enacted. It is often the case that when initiating public sector reforms, the context within which the reforms are applied is overlooked by the implementers. As a result, there is a clash in the values and culture during the implementation of the reform, leading to its ineffectiveness. Vigoda-Gadot and Meiri (2008, 111) support this line of argument, pointing out that 'cultural and personal considerations', such as values, values-fit and the compatibility of individuals with their changing organizational environment, climate and culture are not considered in the introduction of new reforms. The understanding of the national cultural variable is essential if we are to get an 'understanding of the interplay between public institutions and the social context' as national cultures influence the 'structure' and 'performance' of public administration (Andrews 2008, 171–172), and it also gives an understanding of why administrative reforms vary in nature and follow different paths (Capano 2003, 782). One of the prerequisites for policy transfer to be successful is that countries must have a good idea of the policy in the originating country and the experiences of other countries with similar reform (Mossberger and Wolman 2003); and that the governments must be clear about the problem to be solved at home and must consider experimenting with various methods before deciding the combination that best addresses their needs (Jones and Kettl 2004).

In the case of Bhutan's public administration, it has a distinct culture based on the predominant religion in Bhutan (Tibetan Buddhism), and a large component of their religious values percolate into the social and national culture. Many authors have observed the integration and intertwining of Buddhist philosophies with the state's policy (for example, Blackman et al. 2010; Mathou 2000; Rinzin et al. 2007; Turner et al. 2011; Ura 2004). Fundamental Buddhist values such as compassion, respect for life, and striving for knowledge, social harmony and compromise also have impacted policy making in Bhutan (Mathou 2000). The concepts and practices of Buddhism are often

used as resources for the coordination of complex and interdependent public policies (Hershock 2004). Blackman et al. (2010) for example, agree that for new policies and processes to be successful in Bhutan, they should integrate Buddhist principles and existing Bhutanese culture. Additionally, the size of Bhutan's public administration is small, and the number of civil servants as of June 2012 was 23,909 (RCSC 2013), which is approximately 3.4% of the total population. There is evidence that states with small public administration systems tend to have a culture of personal relationships and are more vulnerable and dependent on external forces than are larger states (Wallis 2004).

Just a few years into the implementation of the PCS, it received a slew of public criticism. Such strong reactions to the PCS prompted the Prime Minister, in a gathering with senior civil servants in February 2009, to declare that PCS was a 'mistake' and that it had weakened the civil service with its 'rules and regulations', and that it would be reviewed (Kuensel 2009). The sharp negative criticism came as a surprise to those involved in the formulation and implementation of the PCS: five years of extensive work went into the process of conceptualization and formulation of the PCS, involving numerous international advisors and consultants and various committees and focal persons representing all the agencies in the Bhutanese government. Study visits to countries with successful experiences of public sector reforms were also arranged. With no official or other study of the PCS conducted since its implementation, the question remained as to why it was seen to have failed and what factors prompted this view.

### **1.3 Research questions and hypothesis**

Through its investigation of the implementation of the PCS in Bhutan as a case study this thesis examines the overarching question: "What are the dynamics of public sector reform?" To explore the "dynamics" of public sector reform this thesis builds on the three key aspects of policy dynamics highlighted by Capano and Howlett (2009). The first aspect is the debate over whether or not a policy change is "revolutionary" or "evolutionary" in nature. The second aspect is the dilemma of the scope and timing of change, which includes topics such as how time influences the scope of change and over what time period must a study be conducted to discern actual policy dynamics. The third aspect of policy dynamics is the differing views and interactions among the drivers



of change, such as ideas, interests, political institutions, political and policy actors, networks, and socio-economic conditions.

Accordingly, based on the different aspects of policy dynamics, the overarching research question is divided into three research sub-questions:

1. What are the paradigms and ideal types in the field of public administration?
2. How does scope and timing influence the evaluation of public sector reforms?
3. How do the drivers of change and their forms of interaction shape reform outcomes?

The first sub-question, that is, “What are the paradigms and ideal types in the field of public administration?” covers aspects of the debate over the revolutionary or evolutionary nature of the policy change. Using the concept of paradigms in the field of public administration, I differentiate the various components of the PCS as paradigmatic change (revolutionary) and normal policy making (evolutionary). The concept of paradigms for the purposes of the thesis draws out the notions of “exemplars” and “paradigmatic changes” in public administration. These exemplars help in establishing the ideal types of public administration in Bhutan. The notion of paradigmatic change helps in understanding the translation of theory into practice and the complexities that arise with it. And the difference between paradigmatic change and action produces layering and tensions in practice.

The second sub-question, that is, “How does scope and timing influence the evaluation of public sector reform outcomes?” covers aspects of the dynamics of the PCS such as the scope and timing of the reform and the challenges in evaluating public sector reforms. This question examines the dynamics of the PCS through an evaluation of the implementation of the various components of the PCS.

The third sub-question, that is, “How do the drivers of change and their forms of interaction between these drivers shape reform outcomes?” covers aspects of administrative context and the culture of Bhutan and how they influence the implementation of the PCS. It also addresses how ideas and policy actors and networks,

especially through aspects of policy transfer, determine the content and nature of the reforms.

The main hypothesis of the research question is that the dynamics of public sector reform are largely influenced by the administrative context and culture of the country that the reforms are applied in. Towards supporting the hypothesis, the three sub-questions contain key dimensions and variables that are important to study when exploring reform dynamics. The first sub-question, which covers the paradigms and ideal types in the field of public administration, provides for substantial discussions on the administrative context and an insight into understanding the nature and the embedded values of the public sector reform that is to be applied. The second sub-question on the scope and timing of evaluation and the third sub-question on the drivers of change and their interactions serve the purpose of: firstly, accounting for certain influential variables on the dynamics of public sector reforms such as policy transfer aspects; and secondly, factoring out variables such as change management, stakeholder participation and other formulation and implementation issues that may influence the dynamics other than the administrative context and culture.

#### **1.4 Significance of the study**

This thesis, in general, contributes to the extant literature on public sector reforms. More specifically, it makes a significant contribution to explaining hybridity in public administration systems through the notion of paradigms in public administration. Using the paradigms in public administration to identify the ideal types in public administration, I demonstrate that Bhutan's public administration is an example of a system that exhibits traits of the various paradigms and models of public administration. In doing so, this thesis also builds on the renewed interest in other forms of paradigms of public administration. There are emergent works on different paradigms, such as Drechsler's (2013) notion of the Eastern and Islam paradigms, in addition to the Western paradigm. Drechsler (2013, 50) also argues that in the field of public administration post-NPM era there has not been a cohesive paradigm, and in its place are several 'paradigmattes'. Using the notion of paradigmattes, this thesis provides a better understanding of how hybrid systems of public administration and management develop *in situ* and how they influence the implementation of public sector reforms. It

lends support to the argument that when implementing public sector reforms, it is important to consider the administrative context and the culture and values that are embedded with the reforms. It is often the case that when public sector reforms are initiated, the context within which the reforms are applied is discounted by the implementers. As a result, there is a clash in the values and culture during the implementation of the reform, leading to its ineffectiveness.

The thesis also speaks to the gap in how to evaluate public sector reforms. Despite the proliferation of public sector reforms, there is a dearth in post-reform evaluation literature, both in theory and practice. Although there have been some evaluation studies conducted by academic researchers (such as Goldfinch 1998; McNamara et al. 2009; Pollitt and Bouckaert 2011; Scheers et al. 2005) and international institutions (such as ADB 2009; OECD 2005; World Bank 2008) who have attempted to fill in the void, there remain fundamental issues that make evaluation of public sector reforms a challenging field to study. In the practice realm, although evaluations have been conducted by governments, they have been used in a relatively limited and sporadic manner (Thoenig 2003). Through the experience of the implementation of the PCS in Bhutan, I highlight some of the problems with regard to the post-reform evaluation literature in public administration.

Through this thesis I also point to the debate about the convergence versus divergence of public sector reforms. In doing so, I examine the points of convergence and divergence in public sector reforms based on the implementation of the PCS in Bhutan. I argue that while on the one hand, factors such as globalisation and technological development have led to convergence, on the other hand contextual and cultural differences have led to a divergence. To examine the cultural differences I use Geert Hofstede's work on cultural studies. Thus another significant contribution of the thesis is that it generates original data for Bhutan using Geert Hofstede's Values Survey Module (VSM 2008). Hofstede's data set does not include data for Bhutan, and this thesis is the first study that has been conducted to determine the cultural dimensions using the VSM 2008. Although there have been some studies of Bhutanese cultural values, Hofstede's VSM 2008 has been helpful because of its extensive use in cross-country comparisons, organizational studies and the direct relations of the values to specific organizational characteristics.

At the applied research level, the thesis is the first comprehensive study of the PCS and also be one of the few studies to be conducted on Bhutan's modern administrative system. Bhutan, in general, is a relatively under-studied country. And in public administration, there has only been a handful of researchers who have worked specifically on public sector reforms in Bhutan (for example: Blackman, O'Flynn and Mishra 2010; O'Flynn and Blackman 2009; Rose 1977). This research provides some useful guidance on how to better formulate, introduce and implement public sector reforms in Bhutan. Further, using Bhutan as a case study will be useful for the field of comparative public administration. It can be concluded that the comparative study of administrative structures, functions and behaviours across organizational and cultural boundaries helps to improve the 'reliability' and 'applicability' of public administration knowledge (Jreisat 2010, 612). And closely analysing the ways in which different countries 'selectively emphasize and execute different elements of reform' leads to a better understanding of how global policy ideas are adopted and implemented within the national context (Brandsen and Kim 2010, 369).

## **1.5 Overview of the study**

This thesis is divided into nine chapters. The first chapter is an introductory chapter to the thesis and provides an overview of the problem statement and the main research questions of the thesis. It also includes a brief discussion on the significance of the research. Chapter Two provides a description of the methodology of the thesis and provides a basis for using a mixed-method approach to generating information for the research. It includes a description of the interviewees and also the respondents to the opinion survey.

Chapters Three and Four serve as the literature review component and provide the theoretical framework for the thesis. Chapter Three includes an explanation of how Thomas Kuhn's notion of paradigms based on the natural sciences is applied in the social sciences, and in particular the field of public administration. This chapter includes a comprehensive analysis of the various paradigms of public administration and it examines some of their main theoretical foundations as well as their characteristics. These paradigms of public administration help in describing a typology of ideal types in

public administration that explains the characteristics of public administration systems. Discussions on these ideal types of public administration comprise Chapter Four. Based on the ideal type typology, Chapter Four also explains hybridity in public administration, and that public administration systems are often layered with characteristics of the different paradigms.

Chapters Three and Four help set the tone for Chapter Five on Bhutan's public administration history (prior to 2006) and Chapter Six on the PCS and Bhutan's public administration after 2006. Chapters Five and Six form the background chapters of the thesis. Chapter Five provides a historical anecdote of Bhutan's public administration from the seventeenth century to the mid-twentieth century. It also describes the public administration reforms that were initiated since the mid-twentieth century when modernization policies transformed the political institutions and the socio-economic conditions of the country until 2006, that is, when the PCS was implemented in Bhutan. Chapter Six discusses the PCS reform initiative and also provides an insight into how some of the recent governance reforms in Bhutan changed the public administration system.

Chapters Three through to Six essentially seek to answer the research sub-question on: "What are the paradigms and ideal types in the field of public administration?" The paradigm concept helps in explaining the dynamics and the interaction of the application of public sector reforms within the context of the ideal types. The paradigm approach to policy making helps in differentiating the impacts and tensions of paradigmatic change reforms and incremental change reforms. Based on the historical and recent reforms, the Bhutanese administrative system has been mapped onto the ideal type typology to show hybridity with a mix and layering of characteristics of paradigms.

Based on the data collected through the methodology chapter, Chapter Seven discusses the evaluation of the PCS and Chapter Eight discusses the dynamics of the PCS. These two chapters form the results component of the thesis, and also seek to answer the research sub-questions: "How does the scope and timing influence the evaluation of public sector reforms?" and "How do the drivers of change and their forms of interaction shape reforms?" Chapter Seven uses a revisionist approach to policy

evaluation, and evaluates the policy based on the processes involved in formulating and implementing the PCS as well as the various components of the PCS. Chapter Eight includes an analysis of the dimensions of policy processes including the formulation, implementation and evaluation of public sector reforms. Some of the key discussions within these dimensions centre on policy transfer, change management, stakeholder participation and the impact of culture and values. Throughout the discussions, and especially when it includes components of the PCS, this chapter segregates the discussions into paradigmatic change reform and normal policy making. Such categorisation helps in linking the thesis to the notion of paradigms and in getting a better sense of the dynamics of public sector reforms.

Chapter Nine forms the discussions section of the thesis and it synthesizes the findings of the implementation of the PCS based in Bhutan's civil service and connects it to the broader discussions on public sector reforms. It discusses the trajectory of public sector reform and the points of convergences and divergences within this trajectory. Chapter Nine also discusses the debate about theory and practice of public sector reforms and the consequences of the dynamics of public sector reform. The final chapter, Chapter Ten, is the conclusion of the thesis, and it brings the thesis to a close by summarising the answers to the research questions of the thesis. It also highlights some of the policy and theoretical implications of the findings and how this thesis contributes to the broader knowledge on public administration.

## **1.6 Conclusion**

In this chapter, I have provided an overview of the problem statement, the main research questions of the thesis and a brief discussion on the significance of the research. In the following chapter, I set out the methodology of the thesis followed by the subsequent chapters that includes the literature review, background and discussions of the thesis.

## **Chapter 2: Methodology of the thesis**

### **2.1 Introduction**

This chapter presents the description of the methods employed in the thesis. It uses the implementation of the PCS in Bhutan as a case study to examine the dynamics of public sector reform. Based on the perceptions of the civil servants on various aspects of the PCS, this chapter generates data through a mixed-method approach to mainly answer two of the research sub-questions: how does the scope and timing influence the evaluation of public sector reforms, and how do the drivers of change and their forms of interaction shape reform outcomes? Since Bhutan does not have some historical information on its recent public administration history, information from this chapter is also used in the chapters that present background information on Bhutan's public administration.

This chapter is set out in three sections. The first section provides a description of a mixed-method approach that combines qualitative and quantitative methods, and outlines the advantages of using such an approach. The second section describes the qualitative component of the methodology which includes descriptions of the in-depth interviews with elites in Bhutan's civil service. And the third section describes the quantitative component of the methodology and includes an analysis of the opinion survey conducted with the Bhutanese civil servants.

### **2.2 Mixed-method approach**

This thesis employs a mixed-method approach in the examination of the dynamics of public sector reform. In recent years, there have been an increasing number of researchers who have used a combination of different methods in the field of public administration (for example Compagni and Tediosi 2012 and Haggett and Toke 2006). While there are ongoing discussions about the suitability of certain methods and of combining different methods, public administration research is also multi-disciplinary (Haggett and Toke 2006). It is because of the multi-disciplinary nature of public administration that Haggett and Toke (2006) point to a growing trend that combines

more than one method to address different aspects of an issue. Combinations can be made at two levels, and a distinction needs to be made between the two levels. One level is a combination of “methodology”, which is at a broader level and combines interpretivist and positivist methods (Lin 1998). The other level is at the “methods” level and includes a combination of qualitative and quantitative methods (King et al. 1994). Both forms of combinations, that is, the interpretivist-positivist and qualitative-quantitative, have advantages. In the combination of the interpretivist-positivist approach, the advantage is that it helps in the explanation of the various aspects of causality, that is, the “what” and the “how”. The positivist approach explains the important variables and the scope of a problem, that is the “what”; and the interpretivist approach provides the explanations of the substantive and theoretical significance of a set of relationships, that is the “how” (Lin 1998). Similarly, in the combination of the qualitative-quantitative approach, Haggett and Toke (2006) contend that while the strength of quantitative analysis is its manipulation suitability and the precision of the assessment, qualitative analysis complements its weaknesses of not being able to capture important non-quantifiable variables. Furthermore, although the manipulation suitability can be a strength, it can also be a weakness, especially when statistical data is transformed for political purposes and thus poorly reflects reality. It is in such circumstances that using a combination of qualitative analysis is helpful. Similarly, only using qualitative analysis can also have its limitations. Using a qualitative-quantitative combination study is able to include information that would otherwise be limited by a study involving only a specific method.

This thesis employs a mixed-method approach based on a combination of quantitative and qualitative methods. The two methods are used simultaneously to serve specific purposes. The quantitative method, through a survey, focuses mostly on the implementation of the PCS, and determines the perception of the PCS by the civil servants in general. The qualitative method, through in-depth interviews, explores the factors that went into the formulation of the reforms and some aspects of the management of the reforms. Since there is little documentation of Bhutan’s public administration history, both recent and past, the thesis also relied on interviews, especially with senior officials, to generate historical anecdotes of Bhutan’s modern public administration system.



## 2.3 In-depth interviews

In-depth interviews with elites in Bhutan's civil service formed one of the two methods used in generating data for the study. According to Weiss (1994, 10), such qualitative interviewing techniques help in getting 'dense' information that is useful while describing 'how a system works or fails to work' and will enable us to 'learn about perceptions and reactions known only to those to whom they concerned'. In terms of the techniques applied for the interviews, a few officials were initially identified based on their involvement in the PCS. The others were identified based on a snow-balling method and they were recommended based on their potential to provide the information that I was looking for. Following a short introductory note, questions took an organic form depending on the situation and the answers provided by the respondents.

In total, 23 interviews were conducted with both elites in the Bhutanese civil service and an international advisor involved with the formulation of the PCS. The interviewees were identified based on their involvement with the PCS either during its formulation or implementation. Interviews with elites are useful because they are often the ones who possess the most knowledge about the reform and are therefore the most reliable informants (Enticott 2004). To help sort through the questions for interviews, the interviewees are categorised into five groups (refer to Table 2): those involved in the reform formulation (for example, PCS committee members and focal persons); the international advisors and consultants; those involved in the coordination of the PCS (for example, the officials of RCSC); those involved in the implementation of the PCS (for example, the secretaries and directors of organisations); and those who possess historical and other useful knowledge on Bhutan's public administration. Most of the 23 officials identified as respondents for the interviews (indicated as "R" and their unique respondent identity number in Table 2 and all of their responses in this thesis are cited based on their respondent identity number) are at the senior level in Bhutan's civil service and were involved directly in the formulation of the reforms. Several of them were at the senior executive level and were directly responsible for overseeing the implementation of policies at the agency. Two of the officials interviewed provided crucial information about the system prior to the implementation of the PCS. This information was particularly helpful as there is little documentation of the reforms that were initiated in the Bhutanese civil service.

**Table 2 Description of respondents to the in-depth interviews**

Formulation	International Advisor	Coordination	Implementation	Others
R1		R1		
R2				
R3				
R4			R4	
R5				
			R6	R6 (Historical Anecdote)
R7		R7		
R8			R8	
			R9	
			R10	
R11				
R12			R12	
			R13	
R14			R14	R14 (Historical Anecdote)
		R15	R15	
			R16	
R17			R17	R17 (Historical Anecdote)
			R18	R18 (Historical Anecdote)
				R19 (General perspective)
				R20 (General perspective)
R21		R21		
R22	R22			
			R23	

The format for the interviews was mostly semi-structured, which according to Burnham et al. (2004, 205) is 'often the most effective way to obtain information about decision-makers and decision-making process'. But the basic framework included some background questions about their involvement in the PCS. This was followed by questions based on the four categories of interviewees (refer to Appendix I for the questions for the interviews). For the reform formulators, questions were based on the conceptualisation, formulation, implementation and evaluation of the PCS. For the international advisors, questions included their contributions, understanding of the local needs, challenges and issues and implementation of the PCS. For those interviewees involved in the coordination of the PCS, questions were based on the formulation, implementation and transition management of the PCS. And for those involved in the overseeing the implementation of the PCS in their organization, questions were on the transition management and implementation of the PCS. All interviews generally ended with an open-ended question about their views on the PCS. These interviews ranged from 45 minutes to 90 minutes depending on the availability of the interviewee and were recorded based on their consent.

The interviews were transcribed and were uploaded into NVivo software, and were categorised into various nodes. Some of the main nodes used were based on the various aspects of the generic policy cycle framework. The first node indicated conceptualization and formulation, which included specific points on job descriptions and committees of the PCS. The second node discussed the decision-making process which included points on the approval of the PCS. The third node included information about the implementation of the PCS and included points about transition management, job mapping and overall implementation of the PCS. A fourth node discussed specific problems of the PCS, such as issues around autonomy of the agencies, decentralization of human resource actions, public versus private sector, role of the civil service, and the culture and values of the Bhutanese civil service.

## **2.4 Survey of the civil servants**

A pilot survey was first conducted in July 2011 to test the questions to be used for the final opinion survey and also to get an idea of some of the preliminary perceptions and findings. An online polling system developed by the Australian National University

(ANU) called APOLLO was used. The link to the survey was sent out to all the Bhutanese civil servants temporarily residing in the ACT region of Australia. There were a total of 26 respondents to the survey. Some useful lessons from the pilot survey were, firstly, that conducting an online survey was not feasible for Bhutan and it was difficult to keep track of those who responded or did not respond. Second, the number of questions had to be shortened and to avoid repetitive questions. The third lesson was that the set of questions on Bhutanese values were not useful in that they did not offer any meaningful set of comparisons.

For the main survey, a stratified random sampling technique was used and civil servants were identified by their agencies and then by their position levels. Stratification by agency helped in sorting civil servants by major occupational groups and also by location, as those civil servants placed outside of the capital city, Thimphu, still come under the administrative sphere of the parent agency. Stratification by position levels helped in sorting the civil servants by hierarchy of positions and also by qualifications, which is based on the position levels. Therefore the primary intention of a two-pronged stratification system was to get a combination of respondents based on their major occupational groups and by their position levels and their qualifications. All the ministries were included in the survey except for the Ministry of Foreign Affairs. Employees of the Ministry of Foreign Affairs were excluded from the survey as there were only 149 people in Bhutan and 85 of them were posted in various embassies and missions out of the country. Employees of the seven relatively larger autonomous agencies were identified for the survey. Upon obtaining a list of the civil servants in a particular agency, the employees were sorted in order of their position levels—ranked from the highest to the lowest, that is, from the Secretary (EX1) to those in the O4 position levels—and then by alphabetical order. Depending on the size of the agency every 50<sup>th</sup>, 15<sup>th</sup>, 10<sup>th</sup>, 5<sup>th</sup> or 3<sup>rd</sup> name was selected from the list. For instance, for a larger agency such as the Ministry of Education which has a large number of teachers, every 50<sup>th</sup> name was selected. Similarly, for the Ministry of Agriculture and Forests every 15<sup>th</sup> name was selected. For a smaller agency such as the National Statistical Bureau every 3<sup>rd</sup> name was selected. Upon identification of the target sample population each respondent was given a unique response identity number. The survey was mailed out individually to the respondent's work address that was obtained from their parent agency. As the personal postal system in Bhutan is not well set-up, the official mailing

system is currently more efficient. The respondents were asked to post the filled-in survey to their respective HR divisions using the internal office mailing system. The surveys were sent out in October 2011 and respondents were asked to return the filled-in survey by the end of December 2011. Reminders to the respondents were also sent out in November 2011 through the HR division of the agencies.

The opinion survey was divided into three parts (refer to Appendix II). The first part included questions on perceptions of the PCS. The second part included questions on the values of the Civil Service and the questions were directly adopted from Hofstede's Values Survey Module (VSM) 2008.<sup>1</sup> The third part comprised questions about personal details to be used purely for statistical and research purposes only. Most answers were based on a five-point Likert Scale with an option of "don't know" also added to the response. An open-ended question was also placed at the end of Section I for general comments on the main reasons why they thought that the PCS was a success or a failure. Two people hired for data entry entered the survey data into Microsoft Excel spread sheets using a coding system prescribed by the researcher. The researcher used descriptions and charts of the variables to check for inconsistencies in the data. A presentation was made to the commissioners and the staff of the RCSC for information and feedback in January 2011. The statistical analysis of the data from the survey was conducted using the statistical software STATA.

#### **2.4.1 Analysis of opinion survey respondents**

The Bhutanese civil service comprises ten ministries, four constitutional agencies, 17 autonomous agencies and administrative staff of the two houses of Parliament and Judiciary. As of June 2011, the Bhutanese civil service comprised a total of 23,170 people and 901 out of the total were on contract (RCSC 2011). As per the definition prescribed by the Civil Service Act of 2010 a civil servant includes those who are registered with the Royal Civil Service Commission but excludes those who fall in these categories: elected representatives, holders of Constitutional Offices and members or Commissioners, judges of all courts under the Judiciary, Attorney General and personnel of the Armed Forces including the Royal Bhutan Police. The total also does

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<sup>1</sup> A detailed discussion on the method to generate values and an analysis of the values of Bhutan's culture is presented later in Chapter Eight.

not include the Elementary Service Personnel and the General Service Personnel, which comprised 4,474 people, and also those employed by state-owned corporate entities. Each of the civil servants is placed within the 20 major occupational groups. There are four main position categories in the Bhutanese civil service: executive and specialists, professional and management, supervisory and support, and operational. And these four main position categories are broken up into 20 position levels.

A total of 728 surveys were sent to the civil servants, which according to Krejcie and Morgan (1970) represents a good sample size for a population size of 23,000 civil servants (for a population size of 20,000 the minimum sample size required is 377 and for a population size of 30,000 the minimum sample size is 379). Out of the total of 728 surveys that were sent out there were 245 respondents, that is, a response rate of 34%. Table 3 shows the total number of employees, number of surveys sent and the response to the surveys by the respective agencies. Of the total respondents, 61% of them were located outside the capital city, and 66% of them were males. The agencies with higher response rates were the smaller agencies such as National Statistical Bureau (100%), Office of Attorney General (83%) and the Royal Institute of Management (71%), whereas the larger agencies such as the Ministry of Finance had only a 13% response rate. The higher response rate for the Ministry of Education could be explained by the fact that teachers comprised a higher percentage of the overall civil service strength. The main reason for the higher response rate for the Office of Attorney General and the National Statistical Bureau was due to the fact that these were relatively smaller organizations and were conveniently located in the capital city. The agencies with a low response rate were the Ministry of Finance and National Land Commission Secretariat which comprised 2% each of the total respondents. The reasons for the poor response from the Ministry of Finance staff could not be explained even though it was one of the first agencies the survey was sent out to and in spite of the fact that a large majority of their staff were based in Thimphu or in nearby urban towns. With regard to the National Land Commission Secretariat, the timing of the survey coincided with the majority of the staff being out of their main office in Thimphu, and they were on special assignment conducting the cadastral survey of the country.

**Table 3 Respondents by agency**

Agency	Total Employees	Total Sent	Total Responded	Response Rate
Ministry of Agriculture and Forests	3280	95	23	24%
Ministry of Education	7740	87	28	32%
Ministry of Economic Affairs	524	56	22	39%
Ministry of Finance	1620	39	5	13%
Ministry of Health	2699	76	18	24%
Ministry of Home and Cultural Affairs	1267	49	19	39%
Ministry of Information and Communications	704	42	14	33%
Ministry of Labour and Human Resources	337	39	15	38%
Ministry of Works and Human Settlement	1586	68	18	26%
National Land Commission Secretariat	315	42	4	10%
Gross National Happiness Commission Secretariat	100	21	11	52%
Royal Institute of Management	64	21	15	71%
National Environment Commission Secretariat	61	14	8	57%
National Statistical Bureau	54	14	14	100%
Office of Attorney General	96	12	10	83%
Royal Civil Service Commission Secretariat	54	23	9	39%
Royal Audit Authority	198	30	12	40%
<b>TOTAL</b>	<b>20699</b>	<b>728</b>	<b>245</b>	

It will also be useful to compare the responses in relation to the surveys sent based on other demographic variables, such as age, gender, location, qualification and their major occupational group and position level in their respective organisations. Of the total respondents to the survey, 34% of them were females. The highest number of respondents belonged to the age group 25 – 29 years (27%), followed by 40 – 49 years

(21%). The age group that had the least number of respondents were those that belonged to the category who were less than 20 years (1%), followed by those in the 20 – 24 and the 50 – 59 years (which had 6% each). With respect to the qualifications of the civil servants, the highest number of respondents had a high school certificate (28%) followed by a master’s degree (21%).

Comparing the respondents based on their location either in the capital city, Thimphu, or outside Thimphu, the number of respondents was higher for those who were located in Thimphu (61%) (refer to Figure 1). Although the responses are proportionate to the number of surveys that were initially sent out, they are disproportionate to the actual strength of the civil service, that is, only 33% of the civil servants are based in Thimphu. The reason for the discrepancy is that a large number of teachers who comprise a major portion of the civil service are based outside Thimphu. When selecting the teachers, every 50<sup>th</sup> name was selected so that the responses would be balanced in terms of the composition of the respondents.



**Figure 1 Responses based on location**

In terms of the major occupation groups, education and training, general administration and support, and planning and research groups had better response rates with the first two groups receiving 17% of the total responses and the third group receiving 13% of the responses. The occupational groups with poorer response rates were the architectural and engineering group which comprised 9% of the respondents and the finance and audit group which comprised only 4% of the respondents. The position level in the supervisory category S5 had one of the better response rates at 13% of the total surveys.



On the other hand, the position levels S1 and O4 (in the operational category) had poorer response rates (8% and 1% respectively).

### 2.4.2 Statistical analysis of the responses

A binary logistic regression of the survey was conducted using the unique response identity number. The sample population was categorised into two groups: “Yes, responded” and “No, did not respond”. In the regression model, the binary variable whether civil servants responded or not was the dependent variable, and the independent variables were major occupational group, position level, agency and location. All the independent variables were based on ordinal data, and for purposes of the regression they were converted into dichotomous variables. The regression resulted in a Pseudo R-Square result of 0.14 and the p-value of the chi-square (for the overall goodness of fit) is significant at the .01 level (p value < .001) (refer to Table 4).

**Table 4 Regression results of the responses**

Variable	B-Coefficient	P-Value
<i>Major Occupational Group</i>		
Education and Training Services	1.56	0.09
<i>Location</i>		
Mongar	1.45	0.04
Samdrup Jongkhar	2.13	0.03
Sarpang	1.18	0.08
<i>Position Levels</i>		
O2	1.95	0.04
S5	1.70	0.046
S4	1.77	0.052
P3	1.80	0.055

Based on this result it can be concluded that whether respondents chose to either respond to the survey or not was not random. The table generated from the data of the regression output presents the variables that are statistically significant. Education and Training Service Group was the only major occupation group which had a statistically significant result at the .1 level (p value is .09). Its coefficient was 1.56, which meant

that those civil servants belonging to this group ( $n$  is 92) were more likely to respond. In terms of the location of the civil servants, those located in Mongar, Samdrup Jongkhar and Sarpang districts were more likely to respond to the survey ( $n$  are 26, 8 and 40 respectively). The districts of Mongar and Samdrup Jongkhar had statistically significant  $p$  values at the .05 level (.04 and .03 respectively), and Sarpang district had statistically significant  $p$  value at the .1 level (.08). The capital city of Thimphu ( $n$  is 436) did not have statistically significant results. When it came to position levels, those civil servants in the O2 of the Operational Level ( $n$  is 17), S5 and S4 ( $n$ 's are 70 and 46 respectively) at the Supervisory and Support Level and P3 ( $n$  is 47) at the Professional and Management Level were more likely to respond to the survey. Their results were statistically significant at the O2 and S5 position levels at the .05 level ( $p$  values of .04 and .046 respectively) and at the S4 and P3 position levels at the .1 level ( $p$  values of .052 and .055 respectively).

To reconfirm the non-randomness of the responses to the survey, a  $t$ -test of the means comparing the predicted probability of the respondents to that of the non-respondents was conducted. The  $t$ -test result was large enough to reject the null hypothesis that there is no difference in the means between those who responded to the survey and those who did not respond to the survey ( $p$  value is  $< .001$ ). This also means that the responses were not random.

## **2.5 Conclusion**

This chapter discussed the methodology component of the thesis, which employs a mixed-method approach using both qualitative and quantitative methods. The main advantages of the mixed-method approach are that the two methods complement each other by filling in the gaps in the data that a single method is unable to cover and to lend support to the findings of each other. Data obtained from the opinion survey and in-depth interviews with civil servants in Bhutan will form the basis for the results and the discussion chapters of the thesis. The next chapter examines the notion of paradigms and identifies the main paradigms of public administration.

## **Chapter 3: Paradigms of public administration**

### **3.1 Introduction**

In this chapter I examine the paradigms in the field of public administration and discuss how they influence and shape the characteristics of public administrative systems and practice. The chapter discusses the notion of paradigms as described by Thomas Kuhn and provides a framework for understanding change in both a temporal and systemic sense. Although Kuhn used paradigms to explain phenomena in the natural sciences, the concept has been found to be useful in the social sciences too. In the field of public administration, the paradigm concept is particularly helpful in understanding the problems that are faced, and how the public sector reforms that are selected to solve these puzzles shape the characteristics of the government. Paradigms in public administration, such as traditional public administration and new public management, are helpful in studying the content and dynamics of policy change and also in determining the dynamics of the field of public administration's identity and the manner in which governments are shaped and function (Capano 2003; Henry 1975; Lovrich 1985).

This chapter starts with a definition of the concept of paradigms and justifications of the usefulness of Kuhn's concept of paradigms. The following section examines the application of paradigms specifically in the field of public administration before moving on to descriptions of the dominant paradigms in public administration. The section on the paradigms of public administration describes each of the paradigms that have been identified, and how these paradigms seek to solve new and emerging puzzles of public administration.

### **3.2 Paradigm: definition and its use in the social sciences**

The term paradigm originates from the natural sciences and was used by Thomas Kuhn (1970, 18) in his seminal work *Structure of Scientific Revolution* to suggest theories of accepted examples of actual scientific practice that have proved to be 'better than its

competitors'. Paradigms according to Kuhn are shared crucial examples or "exemplars" and represent the dominant phenomena at a particular time. In this sense, paradigms are 'accepted examples' of actual scientific practice which includes law, theory, application and instrumentation of scientific research (Kuhn 1970, 10). Paradigms are the resolutions of the revolutions that occur in the natural sciences. The revolutions, in turn, are a response to crisis emerging from puzzles that cannot be solved. Kuhn's paradigm is best understood in terms of its 'life-cycle', which starts with a paradigm being born when concrete scientific achievement resolves debate over the foundations, assumptions and methods of scientific field of inquiry (Walker 2010, 435). These concrete achievements end the debate over the fundamentals and bring about consensus amongst the scientists. Therefore, to be deemed a paradigm, Kuhn (1970) posits that a theory must be better than its competitor. But it need not have to conflict with any of its predecessors. This new theory might deal exclusively with new phenomena and may not necessarily always explain all the facts that it is confronted with. Or in certain instances, the new theory might simply be a higher level theory linked with a group of lower level theories.

The successful emergence of a new paradigm is in its ability to solve problems that are recognised as important, and ones that other theories are unable to solve. In this respect, Kuhn (1970, 187) identifies these solutions as "exemplars" which he defines as 'concrete problem-solutions'. Thus, according to Kuhn, one of the aspects of a paradigm is to satisfy the criterion for choosing problems that can be assumed to have a solution. The new paradigm should be in a better position to explain some of the questions that the existing one is unable to address, and in the process of accepting new paradigms over old ones, commonly held value consensus is replaced by a new set of values, agendas, personnel and assumptions (Gow and Dufour 2000; Gray and Jenkins 1995). Gow and Dufour (2000, 585–6) identify three levels of paradigms in Kuhn's theory. The first level is metaphysical or epistemological, the second is the universally recognised scientific achievement which is broader than theory and includes beliefs, values and symbolic generalizations, and the third level is that of exemplars or artefacts. Kuhn also points out three normal foci for factual scientific investigation in relation to paradigms. Firstly, paradigms should reveal the nature of things; secondly, facts should be able to be compared directly with predictions from the paradigm theory; and thirdly, empirical work should be present to articulate the paradigm theory (Kuhn 1970). Under

this description, paradigm provides a 'description of the world' (Barbour 1974, 6) and forms a 'coherent worldview' (Geddes 2003, 11). And paradigms are comprised of models, which are 'symbolic representation of selected aspects of the behavior of a complex system for particular purposes' (Barbour 1974, 6) and approaches, which involves 'a claim that certain factors...deserve attention, without articulating specific hypotheses about them' (Geddes 2003, 11). Thus two important characteristics of paradigms are, firstly, that it represents the dominant phenomena at a particular time (or "exemplars"), and these exemplars are recognised as problem solvers that other theories are unable to solve. The second important characteristic of paradigms is that it provides a "worldview" which reveals the nature of things that are closely comparable to predictions based on the paradigms. In this sense, empirical work should be present to articulate the paradigms.

The concept of paradigms, taking its cue from its application in the field of natural sciences, has been extensively used in the social sciences. In the field of social sciences, Morgan (1980) points out that three broad and consistent senses of the term emerge in the field of social sciences: as a complete view of reality or a way of seeing, as relating to the social organization of science in terms of schools of thought connected with particular kinds of scientific achievement, and as relating to the concrete use of specific kinds of tools and texts for the process of scientific puzzle solving (Morgan 1980). And fields such as organization theory, for instance, use the term paradigm to represent 'broad world views' which reflect the different sets of meta-theoretical assumptions about the nature of science, society and dimensions of change (Morgan 1980, 609).

Another important characteristic of paradigms is the notion of paradigmatic change which occurs in the transition from a pre- to post-paradigm period. A paradigmatic change occurs when a 'novel theory' emerges only after pronounced failure in the normal problem-solving activity (Kuhn 1970, 75). This novel theory is often a direct response to a crisis and in the absence of a crisis, the solutions to the problems have only been partially anticipated or totally ignored. So in this sense, a paradigm change occurs when the old theories are unable to solve the new puzzles that are emerging and new theories are being sought that are able to respond to these new puzzles. Therefore, to transition from a pre- to post-paradigm period, a number of schools compete for domination in a given field, and once there has been some scientific achievement, the

number of schools is reduced to lead to the start of a more efficient mode of scientific practice (Kuhn 1970). A paradigmatic change also occurs when the emergence of a paradigm is able to attract most of the next generation's practitioners and 'implies a new and more rigid definition of the field' (Kuhn 1970, 19). During the transition of a paradigm, members of all scientific communities, including schools of the pre-paradigm period, share certain common elements. In this respect, the notion of paradigm change or shift has been widely used in the field of social science, particularly in policy making. Peter Hall (1993) has done extensive work in exploring the notion of paradigm change and uses the concept of paradigms in the public policy making process by identifying three levels of order of change. The first and second order change can be seen as "normal policy making", that is, as a process that adjusts policy without challenging the overall terms of a given policy paradigm, whereas third order change is likely to reflect a very different process marked by radical changes in the overarching terms of policy discourse associated with a paradigm shift. Hall (1993, 280) focuses on the process of third order change as paradigm shift and explains that as a starting point paradigms are 'never fully commensurable in scientific or technical terms' and that each paradigm contains its own account of how the world of policy making operates, thus making it difficult for advocates of different paradigms to agree on a common body of data that is seeking to establish itself as the dominant paradigm. Such a thinking in paradigm shift leads to three important implications (Hall 1993). The first is that process where one policy paradigm replaces another is likely to be more sociological than scientific and that the views of the experts are likely to be controversial. Secondly, central to the paradigm change process are issues of authority and there are likely to be shifts in the locus of authority over policy. Thirdly, policy experimentation and policy failure are likely to play a key role during paradigm changes and a new paradigm will emerge when supporters of a new paradigm are able to secure positions of authority over policy making and are able to rearrange the organization and standard operating procedures of the policy process.

An important point that Hall (1993) raises in the application of paradigm in social science is its notion of "incommensurability". One of the main points of departure from the natural sciences is the application of incommensurability of the Kuhnian paradigm concept. Kuhn used the term "incommensurable" to characterise the nature of the changes that take place in a scientific revolution and claimed that successive paradigms

or rival theories from these successive paradigms can ignore evidence that falls outside the dominant framework. However, Walker (2010, 434) also points out that there is a shortcoming in the application of “incommensurability” and that such a criterion, particularly in the social sciences, leads to ‘narrow, rigid, highly specialised and conservative research approaches’ that suppress alternatives. Schultz and Hatch (1996, 529–530) also do not accept the paradigm incommensurability argument and take a ‘paradigm-crossing’ position where the focus is on ‘how multiple paradigms might be engaged by individual researchers’. They argue that in organization theory, because of the multiplicity and diversity of perspectives that make up the field of organizational sociology, a paradigm shift does not involve a clean break away from the previous paradigms. Another set of criticism in the application of the concept of paradigm is that it has tended to be ‘misused’ and many make quick claims to “paradigm” using and citing Kuhn without carefully reading his work (Rommel and Christiaens 2006, 612). The most common criteria that are overlooked are requirements for concrete scientific achievement and subsequent growth of knowledge. Part of the confusion in the use of the paradigm concept is also because of the way Kuhn used the concept. It is noted that Kuhn uses the paradigm concept in more than twenty-one different ways (Morgan 1980). Nevertheless, the fields of social sciences have made extensive use of the notion of paradigms to identify the “exemplars” and “worldviews” to represent the dominant phenomena and that rely on a set of theoretical foundations to solve problems. One such field that has picked up on the importance of the concept of paradigms is public administration. The following section discusses how the concept of paradigms is applied in public administration.

### **3.3 Application of the concept of paradigms in public administration**

Over the years the role of public administration has expanded and changed substantially, and administrative systems have existed in different forms. The main reason for public administration’s changing forms is the influence of ideas and theories of other fields, thus requiring the study of administrative history to take on a multidisciplinary approach (Bourgon 2009; Lynn 2006; Raadschelders 2003; Spicer 2004). Theories and concepts from fields such as political science, economics, sociology, psychology, philosophy and history, and trends such as secularization, industrialization and demographic changes are particularly insightful in explaining

public administration's metamorphosis through various approaches, models and paradigms. This has sometimes led to an 'identity crisis' of public administration. Raadschelders (2008, 927) contends that 'the search for identity in public administration may never be complete as long as it is cast in terms of a hierarchy of knowledge in which each "school" or group claims superiority'. Part of the reason why differences occur in public administration is because of the diversity in the researchers and their adherence to different world views. The field of public administration is characterised by a growing divergence of perspectives and approach, and researchers have been pursuing distinctive paradigms; this has led to administrative science as a collection of 'loosely related topics' and a 'disciplinary fragmentation' (Astley 1985, 504). Public administration is besotted with numerous paradigms and models. For example, Henry (1975) offers five paradigms of public administration: the politics/administration dichotomy, the principles of administration, public administration as a political science, public administration as administrative science and the public administration as public administration. Fredrickson (1976) also comes up with five models of public administration: the classic bureaucratic model, neo-bureaucratic model, institutional model, human relations model and public choice model.

Despite the divergence in ideas, in the field of public administration it is generally agreed that there are three key variables that are the driving force behind the models of public administration: hierarchy, market and networks (Colebatch and Larmour 1993). The two generally accepted paradigms of public administration, that is, traditional public administration (TPA) and new public management (NPM) (Gow and Dufour 2000; Gray and Jenkins 1995; Hughes 2003; Lynn 2006) relate to the hierarchy and market models respectively. In recent years new models of and approaches to public administration, which mostly relates to the network model, have been vying to become recognised as the new paradigm. Some of the prominent emerging models of public administration are public value management (Kelly et al. 2002; Moore 1995; O'Flynn 2007; Stoker 2006), governance (Bevir 2011; Klijn 2008; Rhodes 1996), responsive governance (UN 2005), whole-of-government or joined-up-government (Christensen and Laegreid 2007; Pollitt 2003), new governance and public administration (Bourgon 2009), new public service (Denhardt and Denhardt 2000) and new public governance (Osborne 2006). It is also important to note that the extant debate on paradigms in the field of public administration is mostly based on the Western world. However, there is



an increasing number of researchers who argue that the Eastern world have their own set of paradigms. This discussion is important when we analyse the interaction of public sector reforms that are based on Western public administration and are applied in the eastern world. Part of the reason for this hegemonic discussion, as Stout (2012, 391) explains, is that in the multiple ways to understand reality the modern Western culture way is 'marginalizing' others, leading to homogenization based on superficial attention to diversity. Drechsler (2013, 2), who has done extensive work on both Western and Eastern public administration, also points out that there is this assumption that 'there is one good PA and that is global-Western PA', and that if countries do not adhere to or follow the global-Western standards, then they are somehow remiss. He points out that there are two potential partners of global-Western PA as largely independent paradigms, which are the Chinese and Islamic public administration, and attributes the following reasons for their selection based on: the large body of theoretical literature that is available, centuries of practice, strong relevance today, and a basically unique theory and governance background. At this point, it must be pointed out that this thesis does not attempt to make a case for old or new paradigms. Instead this thesis uses the paradigm concept as an analytical framework to identify the ideal types in public administration. If an argument is to be made, it is to contribute to the existing literature supporting the presence of public administrative systems that are layered and have elements of the various ideal types in public administration.

There are those who claim that some paradigms, especially NPM, do not exist in public administration. For instance Lynn (1998, 2001) argues that NPM is not a paradigm since it does not substantially deviate from the previous paradigm, and Page (2005, 714) thought that NPM was only an 'incremental evolution' rather than a revolution. Nonetheless, even Page (2005) contends that the usefulness of the concept of paradigm to the field of public administration cannot be denied. It has been suggested that since 'public administration involves too many different purposes, too many audiences and too widely different types of persuasion', a narrowly conceived paradigm must not be imposed (Gow and Dufour 2000, 590). As Gow and Dufour (2000, 589) acknowledge, 'in the end it does not matter whether or not NPM is a paradigm' as it provides a useful rhetorical device that produces more knowledge about both NPM and TPA with each having its own contributions. In this sense, the paradigms concept is useful for the thesis at two levels, with each of the levels signifying a movement. At the first level is the

movement towards an “ideal type”. This is where the concept of paradigm is useful since it helps in the classification of the various and often competing ideas, theories and models of public administration under broad paradigms. And such classifications establish the “exemplars” or “ideal types” of public administration. Paradigms in this sense serve as a ‘template’ that guides the problem-solving behaviour of the members of a scientific community in the course of their daily work (Vogel 2009, 90). It also provides a clearer understanding of the theoretical underpinnings and the predominant characteristics of the public administration system and the reforms that are applied. According to Brandsen and Kim (2010, 369) it is crucial to determine the aspects of the paradigm, such as the rhetoric, programmatic decisions, administrative practices or policy effects that are being disseminated when discussing the diffusion and expansion of reforms. Therefore the paradigm concept helps in explaining the “reality” where public sector reforms often fall short of reaching their ideals. It helps in explaining the concept of hybridity in public administration where features of various paradigms overlap and are layered. In the analysis of the paradigm shift in public administration, as is often observed in the social sciences, is that there is no clear break away between two paradigms. In fact, in the field of public administration, what often transpires is that a paradigm shift instead gives rise to “quasi-paradigms” (Margetts and Dunleavy 2013) or “paradigmnettes” (Drechsler 2013) that we will explore in the sections on the emerging models of public administration and when examining the layering and hybridity that occurs in public administrative systems.

The second level of usefulness is the notion of “paradigmatic change”. This is the shift from one paradigm to another that Kuhn refers to. The thesis will draw extensively on the arguments made by Hall’s contribution on the paradigmatic notion of the public policy making process where three levels of order of change are identified. In later chapters examining the impacts of the PCS reforms implemented in Bhutan, two different types of public sector reforms can be discerned. The first is an incremental public sector reform that seeks to improve upon existing characteristics within the same ideal type. The second is a public sector reform that involves a paradigmatic change, that is, a reform seeking to inculcate characteristics of a new paradigm. Distinguishing the PCS reforms between the third order change (paradigmatic change policy) and the first two orders (normal policy making) will provide a means to explain the tensions that emerge when implementing such types of policies in practice.

### 3.4 Paradigms of public administration

To explain the paradigms and the notion of paradigmatic changes in public administration, the thesis draws upon the work done by Stoker (2006, 42) where he examines the public value management paradigm that he advocates as the post-NPM paradigm in contrast with the TPA and NPM. In particular, the thesis relies on the puzzles of public administration, and how each of the paradigms of public administration must, to justify the claim to a paradigmatic status, be able to offer answers to the puzzles. According to Stoker (2006) the key puzzles in public administration are: how is efficiency achieved; how is accountability maintained; and how are issues of equity addressed? In Table 5, which has been reproduced from Stoker (2006, 50), we see how each of the paradigms answer the three questions by defining ‘what is at stake and how it is going to be achieved in different ways’.

**Table 5 Management paradigms and the challenges of efficiency, accountability, and equity**

Responses to Core Challenges	Efficiency	Accountability	Equity
Traditional Public Administration	Break down complex tasks and get staff to follow procedures.	Competitive elections provide leader who can steer and exercise oversight.	By treating all similar cases the same.
New Public Management	Set tough performance tasks that the organization is encouraged to achieve.	Politicians set public goals and set targets and then hold managers to account for their delivery.	Offering a framework of responsiveness to users and setting targets to achieve fair access to services.
Public Value Management	Check on a continuous basis that activity fits purpose.	By negotiated goal setting and oversight.	By developing individual capacity so that rights and responsibilities are realised.

Source: Stoker (2006, 50)

For instance, under TPA, efficiency is achieved by systematically dividing tasks and to taking action correctly by getting the staff to follow procedures, rules and systems correctly. Accountability is to elected political leaders who steer and exercise oversight, and equity is achieved by meting out uniformity in the services, that is by treating all similar cases in the same way. For NPM, efficiency is achieved by setting tough performance tasks that the organization is encouraged to achieve. Managers are held accountable for achievement of targets that are set by politicians under NPM. And equity issues are addressed by offering a framework of responsiveness to users and setting targets to achieve fair access to services. Under PVM, which is the emerging paradigm that Stoker discussed, efficiency is achieved by checking on a continuous basis that the activity fits the purpose that it was initially set out for. In terms of accountability, it is addressed by negotiating goal setting and oversight, and equity issues are addressed by developing individual capacity so that rights and responsibilities are realised.

Table 5 is useful to highlight the “exemplars” that aim to solve the puzzles that are faced in the field of public administration. This section discusses how the context within each of the paradigms differs and how each of these paradigms sought to answer the three key puzzles of public administration. In doing so, we will also describe the theoretical underpinnings to explain their differences and justifications as a paradigm. We will also observe how each of the paradigms are unable to answer some of the emerging problems relating to the puzzles, and therefore, resulting in a paradigmatic change.

### **3.4.1 Traditional public administration paradigm**

In the seventeenth century, the Peace of Westphalia in 1648 and the subsequent rise of absolutist states in Continental Europe gave rise to professionalised and centralised organizations for administration. This rise of traditional public administration was in large part a reaction to stem the weaknesses of a patronage-based system that existed prior to the TPA. Pollock (1937) identifies three areas suffered by a patronage-based system in relation to the management puzzle of efficiency. The first was the loss of general and moral character because of the appointment of officials based on political affiliation and not on a merit basis. The second was the loss to political parties because they were busy with negotiating the process of distributing the spoils. Such negotiations

took up considerable time, keeping them away from more vital functions of the state such as formulation and discussion of public policies. The third loss was to the public administration in terms of inefficiency and inequity. Under a patronage-based system, the cost of turnover was unusually high and was often accompanied by a loose payroll system and an inexperienced group of employees. There were also administrative lapses such as lack of careful supervision of number of hours worked, vacation and sick leave, and employees are also unable to perform because of the political interruptions and interference. Concerning issues of accountability, a patronage-based system was viewed as being highly susceptible to corrupt practices, particularly in the recruitment and meting out of other personnel actions such as promotions and rewards. To highlight the severity of such political appointees, Theriault (2003) points out that from the years 1861 to 1881 in the United States, the number of political appointees increased by 173%. According to Box et al. (2001, 612), the 'progressive movement' was a reaction against the subversion of democratic values through corruption and patronage systems.

In addition to the puzzles in public administration arising from the weaknesses of the patronage system, there were other emerging issues that led to the development of the traditional Western public administration paradigm. In 1854, the Northcote-Trevelyan Report in the United Kingdom recommended the abolition of a patronage-based system which signalled the start of merit-based appointments to the public service (Hughes 2003). Similarly, in the United States, two significant developments that took place in the nineteenth century were the rise in power of the president and the start of professional public administration in 1883 with the adoption of the Pendleton Act. The passage of the Pendleton Act was significant for a couple of reasons. It introduced aspects of scientific management such as job definitions, competitive examinations, fixed appointment ladder and merit-based hiring (Light 2006; Theriault 2003). At around the same time, in other parts of the world the birth of democratic states led to a new dimension of public administration (Luton 2003). While there is this perception that the developments of public administration first started in the Western world, aspects of traditional public administration were already present in countries such as China (Drechsler 2013). China in its early period had features of traditional public administration such as a permanent administrative cadre selected based on merit through competitive examinations. Nevertheless, the impacts of the changes in public administration were initially felt in Europe and the United States before spreading

throughout the world. The other key factor that played a crucial role in shaping public administration history was the Industrial Revolution, which by the nineteenth century was at its full momentum in Britain and was spreading into Continental Europe and North America. Changes in various spheres were occurring: patterns of employment were changing from the agrarian to the industrial sector and production methods were also changing, leading to division and specialization of work. Sorauf (1959) contends that economic prosperity, expansion of educational opportunities, and need for greater specialization of skills reduced the importance of patronage. Technological changes were affecting the way public administration was being delivered. The introduction of capitalism was also transforming the traditional way of life and states were taking on the responsibility of protecting and promoting the welfare of individuals (Jacoby 1973). The First and the Second World Wars were also responsible for an expansion in the role of the state (Lynn 2006; Rugge 2003). Post-war reconstruction and a need for welfare systems provided a spur for economic growth and expansion of technical, legal and administrative expertise and systems. It was to address the puzzles such as accountability and equity that the patronage system was unable to solve and the new political and economic trends that added complexity to these puzzles that the traditional public administration emerged as a paradigm.

### *Exemplars and theoretical foundations of TPA*

The theoretical foundations of TPA are mainly derived from the history of political and social thought (Spicer 2004; Thoenig 2003) and judicial-constitutional framework (Christensen 2003). The dominant views identified with this paradigm are Max Weber and his concept of bureaucracy, Woodrow Wilson and policy-administration relationship, and Fredrick Taylor's scientific management model of work organization (Hughes 2003; Lynn 2006; O'Flynn 2007). Others such as Luther Gullick, Frank J Goodnow, Leonard D. White, W.F. Willoughby and John Gaus have also contributed substantially to the development of traditional public administration (Lynn 2006; Spicer 2004). To be sure, Max Weber's theory on bureaucracy was one of the main theoretical principles of the TPA paradigm. In many ways, Weber through his theory on bureaucracy or "modern officialdom" sought to address issues around the management puzzles of efficiency and equity. In his description of the characteristics of bureaucracy, Weber (1948) outlined the ways modern officialdom functioned: (1) on the basis of the

principle of fixed and official jurisdictional areas ordered by rules; (2) on the basis of the principle of hierarchy and levels of graded authority and where the lower offices are supervised by higher ones; and (3) management of the office based on written documents (files) and staff who have thorough knowledge of the rules and are experts in their field.

TPA is largely based on Weber's idea of rational/legal authority which was considered the most efficient compared to the other types of authority, the charismatic and the traditional forms of authority (Hughes 2003), and implied that a system is founded on authority and the belief in a legitimate, rational-legal political order and the right of the state to define and enforce the legal order (Askim, Christensen et al. 2010; Olsen 2005). Within this rational/legal authority, according to Weber (1978, 956), the characteristics of a 'modern bureaucracy' feature in a prominent role, and it functioned according to laws or administrative regulations and an established system of supervision of the lower offices by the higher ones. He also noted that one of the fundamental categories of rational legal authority is the 'continuous rule-bound conduct of official business' that is exercised by an 'administrative organ' or 'agency' comprised of 'officials' (Weber 1978, 217–219). Bureaucracies were also responsible for the creation of central agencies that directed and controlled public officials (Jacoby 1973). The development of bureaus, which was characterised by public officials and sets of documents and files that regulated their conduct, facilitated in the supervision and computation of the activities of an organised administrative system. Fredrick Taylor's theory on Scientific Management also influenced the TPA. Scientific management was the dominant philosophy of administrative reform from the 1930s to the 1960s (Light 2006). The principles of scientific management stressed two main points: standardizing work through the finding of one-best-way of working and controlling to provide for the maintenance of all these standards, and the involvement of time-and-motion studies to decide a standard for working, a wage-incentive scheme that was a modification of the piecework method already in existence, and changing the functional organization.

Thus the TPA paradigm sought to solve the problems of inefficiency and inequity of a patronage-based system and address some of the emerging issues through a combination of the principles of Weber's bureaucracy and rational/legal authority and Taylor's scientific management. In the drive towards efficiency, both Weber and Taylor saw

public administration as a “machine” or a “machination process”. Weber pictured the state and its rational bureaucracy as a ‘mechanism, machine or apparatus’ (Sager and Rosser 2009, 1137) and Taylor’s ideas were influenced by ‘factory assembly line’ (Hughes 2003, 29). Work under TPA was divided based on the expertise and categorised into various levels of hierarchy with each level being supervised by the next higher level. Strict application of rules and regulations ensured that uniformity and equity was maintained in the provision of services. To reduce the inefficiencies due to patronage appointments, a system of formal appointments of staff based on their knowledge and expertise were appointed. These officials were strictly guided by and adhered to the rules and procedures that were clearly specified to assist them in their work.

TPA’s attempt to answer the other puzzle of accountability is addressed by the ideas propounded by Woodrow Wilson, who is seen as another leading contributor to the development of TPA. Wilson (1887) set out a normative vision of public administration as separate from politics, and also incorporated certain aspects of the private sector into public administration. Although it is argued that Wilson later never really sought to ‘erect a strong wall between politics and administration’ (Sager and Rosser 2009, 1140), Wilson did believe that the problems of the spoils system resulted from linking administrative questions with political ones (Hughes 2003). This need to have an apolitical public administration which would be more ‘businesslike and scientific’ arose because of the spoils system that affected policy implementation (Box 1999, 26). Although maintaining the politics-administration dichotomy has been a challenge, its contribution to the shaping of the TPA as a paradigm cannot be denied (Rugge 2003). Basically, under TPA, the politics-administration relationship sought to clarify the relationship of accountability and responsibility in the public administration (Hughes 2003). In this regard public servants were accountable to the ministers who in turn were accountable to the people. It was generally felt that the process of government consisted of two components: decision-making, which was the function of politics; and implementation of activities, which was the role of public officials (Waldo 1955). Thus the TPA has been characterised by a politically neutral administration, where the public servants are anonymous, and that strives to serve any government equally.



## *Criticisms of TPA*

Throughout the 1980s and 1990s the critique of TPA strengthened and there is increasing literature rejecting earlier proponents of TPA and its purpose. Some of the main allegations against the TPA were that it was inefficient, ineffective, bloated, expensive, bureaucratic, burdened by rules, unresponsive, secretive, self-serving, preoccupied with structures and processes, involved in too many activities and out of touch with reality (Goodsell 1994; Gray and Jenkins 1995; Jones and Kettl 2004; Lane 1997; Thoenig 2003). While it is argued that the earlier eras were conducive to a centralised and bureaucratic public administration where laws and regulations ensured equity through standardized services and accountability by way of compliance with procedures, changes taking place in the 1980s and 1990s in the sphere of politics, economics, society and government challenged the TPA traditions (Page 2005). The puzzles that were emerging in practice were associated with the underlying theories of TPA based on bureaucracy, one-best-way, public interest and the separation of politics from administration (Hughes 2003). The shortcomings of the traditional administration were becoming apparent and it was perceived to be inflexible, unresponsive and opaque (Alford and Hughes 2008). Provisions of services under the TPA were seen to be inefficient and ineffective with undue influence for employees and high costs (Dawson and Dargie 2002).

It was argued that the TPA developed under different circumstances and served a different purpose altogether (Osborne and Gaebler 1992). Societies were much smaller and closer knit, the pace of development was relatively slower and access to information was restrictive. By the 1980s developments across various spheres were taking place calling for TPA to change and keep abreast with the new developments. This new problem emerging could not be answered by TPA and changes were occurring as a response to changes in economic theory, impact of changes in the private sector due to globalization as an economic force and changes in technology (Hughes 2003). Bureaucracies, which were the fundamental characteristic feature of TPA, were rendering the public sector rigid and dysfunctional, leading to a series of communication blocks and distortions (Goodsell 1994). And public officials were also perceived to be expanding their administrative empires and were unresponsive to the demands of the citizens (Kaboolian 1998). Public administration looked to neo-classical

economics and market liberalism to address the weaknesses of TPA that called for two key changes, that is, a reduction in the role and size of the state, and an adoption of a private sector model. These two changes were based on the theoretical traditions informed by economic theories and business management, which together formed the New Public Management paradigm.

### **3.4.2 New public management paradigm**

In the 1980s, changes in the public sector were occurring as a response to various global and national political, economical, social and governmental developments taking place during the same period (Brinkerhoff and Brinkerhoff 2002; Hood 1991; Hood and Jackson 1996; Page 2005). At a global level, some of the major changes taking places were: a period of long peace in the developed countries since World War II, globalization brought on by economic growth, privatization, the growth of an information society and a knowledge-based economy, changes in technology, the economic crisis of the 1970s and the 1980s, and the end of the Cold War. At a micro level, the changes taking place were: new ways of conceiving of the state, changing income levels that laid the foundations for a new tax-conscious society, and a shift to more-white collar population and increasing customer service demanding high quality and extensive choice. Voters and elected officials also demanded cost-effective programs and citizens sought responsive services from the government (Page 2005). The changes in the global and national agendas led to a 'worldwide governance reform movement whose concepts and prescriptions converged into a common model with economic, administrative and political dimensions' (Brinkerhoff and Brinkerhoff 2002, 512). Such change, to a certain extent, led to political systems that favoured a neo-liberalist approach that reduced the scale and scope of the government through the adoption of business and market-oriented ideologies, policies and political programs (Lynn 2006). The demand for these changes came from both the scientific as well as practitioner community, which included the financial institutions, media, management consultants, academic scholars, general public and the international institutions (Jones and Kettl 2004).

Within the scientific community, the search for a new paradigm of public administration sought to respond to the puzzles that the TPA began in the 1980s and 1990s. The new

paradigm initially was known by several names, such as managerialism, new public management, market-based public administration, post-bureaucratic paradigm and entrepreneurial government, before settling on “new public management” (NPM) (Hughes 2003). What followed was the search for answers to solve these new puzzles that the public administration faced. Answers were largely sought from economic theories and practices from the private sector. Institutional economic theories such as public choice economics provided the answers to the strong wave of antigovernment ideology in the 1980s and the demand for smaller government (Box 1999). The introduction of management practices based on the private sector was seen as the answer to the inefficiencies in the bureaucracy and sought to transform the public sector by reinventing government. Practices such as contracting out services, performance management and hiring managers from the private sector were identified as some of the strategies to introduce to make the public administration more business-like (Box 1999, Dawson and Dargie 2002).

The NPM represented a “paradigm shift” from the TPA (Saint-Martin 1998, 319). Firstly, the NPM paradigm was fundamentally different from its predecessor (Dawson and Dargie 2002; Gow and Dufour 2000; Hood and Jackson 1996; Lane 2005). The TPA was based on political and legal rationality, whereas NPM was based on neo-classical economics and managerial values and practices; thus representing a shift from the role of policy development to management and from a focus on processes to outputs. As a paradigm, the NPM attempted to better its predecessor by incorporating principles from the business models and neo-classical and institutional economics (Barzelay 2002; Gow and Dufour 2000; Kaboolian 1998; Lane 2005; Osborne and Gaebler 1992). NPM was also associated with administrative techniques such as deregulation, privatization, decentralization, merit-based pay, partnerships, competition and customer orientation (Gow and Dufour 2000; Kaboolian 1998; Klijn 2008; Lynn 2006); and values such as economy, service, responsiveness, dynamism, mission and flexibility (Box 1999; Gow and Dufour 2000; Gray and Jenkins 1995). Terry (2005, 431) points out that the presumed advantage of competition and the perceived superiority of private-sector technologies and practices form the basic premise for a market-driven management style. Along with the techniques of business administration, NPM sought to incorporate values of the private sector (Denhardt and Denhardt 2000). It was in the late 1970s and 1980s that the word “management” began to appear in place

of “administration” (Gray and Jenkins 1995), that is, the period when the NPM paradigm was challenging the TPA paradigm. The replacement of the terms management for administration reflect a profound change that was taking place in the field of public administration. The term administration essentially sees the role of the public sector within the ‘legal-political framework’ (Rimington 2009, 567) that characterises the Weberian bureaucracy. Under this description, public officials function to achieve targets set out by political forces, and based on the legal framework and financial and other resources allocated to them. Management, on the other hand, reflects the influence of the market and private sector principles and empowers the public officials with wider managerial responsibilities. In the sense of management, responsibilities were delegated to public officials who were provided with greater discretion to apply human resource and financial strategies to ‘secure defined’ or ‘agreed’ outputs (Rimington 2009, 567).

The spread of NPM started from Western Anglo-Saxon countries. Countries such as the US and UK were beginning to introduce certain market-like characteristics such as performance management system and citizen’s charter, that later became prominent features of the NPM paradigm. The effectiveness of these public sector reforms was being noticed and new standards and roles were established (Denhardt and Denhardt 2000). Subsequently NPM began to spread to other Western countries (Capano 2003; Gualimini 2008) and other developing countries (Brandsen and Kim 2010). There were elements of symmetry in the spread of NPM, according to Hood and Jackson (1996, 187). Firstly, NPM fitted a desire for change in the fashions for the appearance of something new. Secondly, it was the way in which NPM’s emphasis on management and abandonment of tenure fitted with trends in political campaign technology where professional political strategists played a larger part in policy making than traditional players in the world of political advice. Thirdly, NPM fitted in with the broader socio-technical changes of the late twentieth century which included changes in technology, economic structure (from standardized mass production to flexible production) and changes in the composition of labour and the electorate (decline in the proportion of white-collar, college-educated workers).

### *Exemplars and theoretical foundations of NPM*

The term “new public management” was coined by Christopher Hood (1991, 5), and he accredited the origin of NPM as a ‘marriage of two different streams of ideas’: the new institutional economics which included theories such as public choice, transaction cost and principal-agent; and business-type managerialism in the public sector. Similarly Barzelay (2002, 21–22) defines NPM as the theoretical claims about how the government should be organised and managed as: (1) an ‘administrative philosophy’ where it is a function of public choice theory and managerialism, and (2) ‘new institutional economics’ where it is a function of public choice theory, transaction cost theory and principal agent theory. Hood (1991) sets out the broad doctrinal components of NPM as:

1. Hand-on professional management in the public sector, where there is active discretionary control of organizations for the managers and accountability requires clear assignment of responsibility for action.
2. Explicit standards and measures of performance that are clearly defined by goals and targets and are expressed in quantitative terms.
3. Greater emphasis on output controls, where resource allocation and rewards are linked to measured performance and the stress is on results rather than procedures.
4. Shift to disaggregation of units in the public sector due to the breakup of formerly monolithic units dealing on an arms-length basis and the need to create manageable units with separate provision and production interests.
5. Shift to greater competition in the public sector by moving to term contracts and tendering procedures.
6. Stress on private sector styles of management practice with greater flexibility in hiring and rewards and use of PR techniques.
7. Stress on greater discipline and parsimony in resource use through costs cutting and other measures.

The advocates of NPM believed that the public sector could be organised and managed in similar manner to the private sector (Dawson and Dargie 2002). New forms of organizations that were lean, adaptable, flexible and innovative also emerged (Osborne

and Gaebler 1992), and government's role was to provide basic services and infrastructure efficiently and effectively (Brinkerhoff and Brinkerhoff 2002). Central to the NPM is the argument that the ineffectiveness of huge government-run organizations led to the widespread substitution of contracts and outsourcing of any function that was seen as being performed better under a market-based system (UN 2005). Thus in terms of efficiency, NPM sought to emulate private sector practices and set performance tasks that the organization was encouraged to achieve. In this respect NPM challenged the seemingly inefficient monopolistic nature of the public sector. Applying the private sector theory that responsiveness to consumer preferences and improving organizational effectiveness are important to improve public service, NPM replaced the traditional bureaucratic command and control mechanisms with more market-based strategies (Aberbach and Christensen 2005). Economic theories such as transaction-cost theory were applied, which specified situations where it is more cost-effective if services are contracted to the private sector rather than in-house production. Through the application of transaction-cost services were privatised and contracted out of governmental services to improve effectiveness and efficiency, therefore creating competition through market or semi-market mechanisms in the provision of services and using performance indicators to specify the desired outputs (Klijn 2008). To improve efficiency in delivery of public services, market incentives were also incorporated (Margetts and Dunleavy 2013). Tools such as privatization, public-private partnerships, performance-based pay and user charges were introduced into the public sector. Another economic theory that influenced efficiency in the NPM was public choice theory. According to Denhardt and Denhardt (2000, 551), public choice 'views the government from the standpoint of markets and customers' and that public choice also served as a compelling model of government and a road map to reduce government and make it less costly. The basic assumption of economics, and therefore public choice theory, is that individual actors are utility maximizers and seek to pursue their self-interest that leads to a smaller government and a pro-competition approach. The conceptualization of the public sector as a model of 'self-interested maximizer' represented a move away from models of control by legislature or a sense of duty to the public interest (Box 1999, 27).

Under NPM, politicians set public goals that the managers were held accountable to deliver. In this respect, accountability required a clear statement of goals and efficiency required a hard look at objectives (Hood 1991). Foster (2001, 746) cautioned that the

old ways where public officials had a monopoly on advice and information would not work, and called for a system that was less dominated by public servants. Towards enhancing accountability and competition in the NPM paradigm, concepts from neo-institutional economics such as principal-agent theory were applied. Principal-agent theory in general deals with the conflict between the principal and agents. It describes principals as those who contract the services and agents who carry out the services, (Knott and Hammond 2003). More broadly, a principal – agent relationship is created when one actor (principal) asks to do something on their behalf (agent). Box (1999) highlights two principal-agent relationships that NPM distinguishes. The first relationship is between citizens who are the principals and politicians as their agents. This relationship also views the citizens as customers to whom the senior officials are accountable to. It is through the relationship with the public as consumers that governments under the NPM paradigm seek equity by being responsive to users and setting targets to achieve fair access to services. The second principal-agent relationship is between politicians who are the principals and public servants as their agents. NPM seeks to separate politics from administration by giving managers discretionary powers over the day-to-day management. Managers are free to make decisions within the legislative and policy frameworks set by politicians (Newman 2002). Knott and Hammond (2003) identify a third principal-agent relationship, that is, between the superiors and subordinates. In this case the principals contract the services and agents carry out the services. NPM advocated the presence of hands-on professional management in the public sector. Rather than restricting the roles of managers to just administering of rules and instructions, it was felt that the management style should be pro-active and given enough discretionary controls to determine appropriate means of achieving objectives (Hood 1991; Lane 2005). Discretionary limits were set through legislative and policy frameworks, and the controls and the means managers had in their hands were a range of financial, human resource and other managerial tools at their disposal. Managers were also encouraged to be more entrepreneurial and innovative. In order to enhance competition in the public sector, contracts and public tendering procedures were incorporated under the NPM paradigm.

## *Criticisms of NPM*

In recent years there has been an increasing amount of criticisms levied at NPM. The criticisms can be broadly classified into three main categories. The first is against some of the inconsistencies in the theoretical foundations of NPM. The inconsistency is reflected in the combination of the centralizing elements of institutional economic theories and the decentralizing elements of management theory (Aberbach and Christensen 2005, 226). Within such a tension, the decentralizing aspect had an upper hand, and resulted in the shrinking role of the state (Vigoda-Gadot and Meiri 2008). This resulted in the reduction in the public service through a loss of function and staff, less discretion through stress on efficiency and less role in policy advice (Rhodes 1996). The second set of criticisms of the NPM was that its reliance on the private sector and market principles was not a better alternative to the earlier bureaucratic system in all circumstances. The NPM did not focus on outcomes, and the emphasis was on cost-efficiency and outputs (Cole and Parston 2006; O'Flynn 2007). Customer satisfaction was an 'end in itself' rather than a 'means to an end' (Aberbach and Christensen 2005). Foster (2001, 743) points out that public servants deal in a completely different environment to the private sector. For instance, public servants operate in a political environment of law-making and implementation. They are expected to deal fairly and equitably with every citizen and they work with multiple and competing objectives that are less clear than profit and loss.

The third criticism of the NPM was in its ability to provide answers for certain challenges posed in public administration. In this sense, Rhodes (1994) identifies four problem areas that the NPM was either unable to solve or resulted from the weaknesses of NPM. There continued to be problems of specification where the public sector had to deal with complex and hard to specify objectives where there was a need for trust and values. The NPM resulted in a problem of disaggregation and there was a need for coordination. Problems of due processes also arose that required the need for impartiality, integrity and accountability. And there were problems of capacity particularly the capacity to deal with crisis. Therefore these criticisms to the shortcomings of the NPM and its inability to address the emerging challenges of public administration have resulted in the search for a post-NPM paradigm.



### 3.4.3 New models of public administration

Increasingly, shortcomings with the NPM being unable to solve the puzzles of public administration are beginning to surface. Although NPM advocated achieving efficiency through competitive regimes, evidence has shown that it is usually costly to implement and that such approaches lead to increased transactions costs due to high costs of contract preparation, monitoring and enforcement (O'Flynn 2007, 358). In other words, levels of competition often do not always produce savings. The transaction costs arising out of a more market-oriented model also increased because of the costs associated with the production processes requiring multiple transactions among independent suppliers, owners, labour and experts (Knott and Hammond 2003, 139). Furthermore, there was a sense that governments were getting increasingly 'fragmented' (Osborne 2006) and preoccupied with vertical coordination (Christensen and Laegreid 2007). This was partly because of the incentive structure prescribed by the NPM, which rewarded the achievement of an organization's goals more than achieving system-wide objectives (Ling 2002). Terry (2005, 428) contends that the NPM philosophy and practices have contributed to an increasingly 'hollow state with thinning administrative institutions'. Such hollowing out of the government in its functions led to lack of inefficiency and accountability in public administration. Governments were unable to provide essential social services that the private sector also did not step in to provide (Lane and Wallis 2009).

NPM is also perceived to be detrimental to representativeness and democratic principles since it prioritized performance over accountability to the citizens (Kersbergen and Waarden 2004). These criticisms highlight the stark differences between the public and the private sector. Rimington (2009) argues that the private and public sectors are indeed quite different. The notable differences are: public sector functions within the scope of public laws, popular expectations and international obligations whereas private businesses can choose to operate based on the market remuneration or opportunities; the tasks performed by the public sector are generally those which the private sectors are unwilling to provide or there is no incentives for profit-maximization or are banned by law; and public policy making involves consultative activities with multiple groups and people, and one which requires enormous effort, whereas the private sector only thinks in terms of their clients' best interests. Perhaps herein lay one of the main restrictions

imposed by NPM, that is, in limiting the relationship between the public and the public management system to that of a client-customer relationship. There are differences in the characterisation of citizens as clients (Alford and Hughes 2008), and that accountability should be to the collective interests of the citizens and not the aggregation of their preferences (Kelly 2005, 76). There were also concerns that private sector principles, where the main aim was to seek profit (Aberbach and Christensen 2005), and issues of social injustices and fairness (Box 1999) did not fit the needs of the public sector. Private sector determinants of success, such as productivity and customer satisfaction, were inadequate to ensure high-quality performance in the public sector (Bourgon 2009). The blanket assumption made by the public choice theory of public officials as rational actors who were self-serving ignored a certain segment of the population in the public sector who acted in a selfless manner and towards the best interests of the public. Perry et al. (2010) point out that there is a distinct public service motivation driven by civic duty and compassion and not by self-concern and self-interest.

In terms of some of the emerging problems associated with public administration that the NPM did not address, Pierre (2009, 598) points out that the NPM overlooked the increasing role of networks and other key players in the external environment, which over the last decade the public sector has opened up to. These actors together with the public sector play an active role in the gathering of information, bargaining, persuasion, collaboration and policy implementation. Whereas Vigoda (2002, 534) argues that when someone is treated purely as a client, which was the case under NPM, they are then not engaged actively in the social initiative but are only a passive consumer. Another limitation that the NPM posed was in its ability to deal with increasingly complex contemporary issues. Some of these problems are population mobility, cultural diversity, rapid technological change, urban problems, and dynamics of global markets (Bogason and Musso 2005; Pierre 2009). There is a desire for public administration to be characterised by a collective decision-making process which includes a wide range of stakeholders in the context of uncertainty and complexity (Stoker 2006). The public sector is encouraged to look to new forms of governing and state-society linkages, which are multilayered and involve the citizens in their new roles as co-producers, customers, clients and partners in the conception, formulation and implementation of policies. Increasingly, public administration seeks to imbibe citizen- or society-centered

logic to replace the government-centered one, and focus on serving and empowering citizens (Bouckaert et al. 2005; Denhardt and Denhardt 2000). From what was strictly a public sector domain, the governments reached out to a wider network which included non-governmental organizations, think-tanks, consultancy firms, management consultants and academic centres, for advice, research and information (Bogason and Musso 2005; Rhodes et al. 2008). According to Alford and Hughes (2008, 137) the concept of network has not only become popular as an analytical concept 'to make sense of the world of complex interaction around policy' but also as a catchword for 'alternative ways of managing complex interactions around policy formulation, implementation or service delivery'. The NPM paradigm was also accused of eroding traditional public service values such as probity, impartiality, fairness and equality, and a loss of morale (Dawson and Dargie 2002, Peters and Savoie 1994).

### *Emergent models/paradigms of public administration*

In recent years NPM has been perceived as being unable to solve the major puzzles of public administration. Some of the problems are inherent in the theoretical underpinnings of the paradigm itself, and the other problems arise out of the new developments and changes that are taking place at the macro-level. An alternative paradigm that seeks the place of exemplars is being sought in the field of public administration in place of NPM. Some of the prominent contenders are: governance-related models, for example, responsive new governance and public administration (Bourgon 2009), governance (Rhodes 1996, UN 2005), new public governance (Osborne 2006), digital-era governance (Dunleavy et al. 2006); based on public value such as public value management (Moore 1995); and joining up of government agencies such as whole-of-government or joined-up government (Christensen and Laegreid 2007; Pollitt 2003). None of these models have been able to attain a status of a paradigm yet, but they do fit the definition of "quasi-paradigms", a term suggested by Margetts and Dunleavy (2013), to define models that have a macro-theory but have not been properly tested and have an unclear criteria of plausibility. According to Margetts and Dunleavy (2013, 2), 'quasi-paradigms' occurred because the NPM wave ground to a halt, amid growing signs of crises and contradiction.

The following section examines the macro-theories of these new models. The models have been broadly categorised within the context of two models that appear prominent in the lead up to a possible paradigm. The two are governance-related models and value-related models. In relation to the first model, that is, governance-related, various definitions of governance have been offered. Kim et al. (2005, 647) described governance as the 'process of policy making through active and cohesive discussion among policy makers who are interconnected through a broad range of networks' and as a 'multiple-stakeholder process'. According to Bevir et al. (2003, 192) governance is used to refer to 'a pattern of rule characterised by networks that connect civil society and the state'. Emerson et al. (2011, 2–3) came up with the term collaborative governance which allows for its use as a 'broader analytic construct in public administration and enables distinctions among different applications, classes and scales', and they refer to 'collaborative governance' as:

The processes and structures of public policy decision making and management that engage people constructively across the boundaries of public agencies, levels of government, and/or the public, private and civic spheres in order to carry out a public purpose that could not otherwise be accomplished.

Morrell (2009) contends that the usage of the term governance varies in different disciplines, and Kersbergen and Waarden (2004, 145–148) offer seven different contexts where "governance" is used, ranging from economic development to international relations theory. A common strand that emerges from the use of governance in the field of public administration is the importance of networks and pressure groups (Bevir 2011; Kersbergen and Waarden 2004), and the focus on improving inter-organizational coordination to improve policy processes and to link actors to these processes (Klijn 2008). This 'multipartner governance', according to Emerson et al. (2011, 3) includes partnership among the states, private sector, civil society and community. The emphasis on governance represents a shift of the bureaucratic government to a more direct and accountable government which is horizontal and employs networks for its services (Hill and Lynn 2005). It has also increased the involvement of NGOs in policy making and management, and citizen demand for participation in public affairs (Bogason and Musso 2005). Related to the governance model is also the whole-of-government, which was initiated to overcome

challenges of the vertical style of management within agencies that NPM created. A 'silo' style of operation resulted in duplication of effort towards achieving similar objectives, and lead to wasteful expenditure (Hunt 2005). This was partly because of the incentive structure, which rewarded the achievement of an organization's goals more than achieving system-wide objectives (Ling 2002). Therefore, the underlying goals of the whole-of-government approach is to eliminate contradictions and tensions between policies, to make better use of resources, to enhance cooperation among stakeholders and to produce an integrated set of services for the citizens (Pollitt 2003). An important aspect of the whole-of-government approach is that it facilitated the emphasis on areas that cut across traditional boundaries and attempts to solve the puzzles that the TPA and NPM could not address such as poverty, innovation, climate change, national security, demographics, science, education, sustainable environment, energy, rural and regional development, transportation, and work and family life.

The second contender for the emerging paradigm of public administration is the value-related models. In this respect, models such as public value management and public value pragmatism have at their core the achievement of "public value" and they are essentially strategic implementation management approaches. Stoker (2006, 42) notes that public value is 'more than a summation of the individual preferences of the users or producers of public services' and it differs significantly from TPA and NPM in the understanding of public interest, the nature of public service ethos, the role of managers, and the contribution of democratic processes. According to Alford and O'Flynn (2009, 175), public value differs from public goods significantly in terms of the range of goods it includes and ones which remedy market failures such as negative externalities, natural monopolies or imperfect information. They also state that public value encompasses not only "outputs", which are the primary products of public organizations, but also "outcomes" which are the impacts upon those who enjoy the value or good. At the heart of the public value approach is Moore's (1995, 71) strategic triangle. The three inter-related points of the strategic triangle are the creation of public value at one end, the legitimacy and support and the organisational capacity at the other ends. According to Alford and O'Flynn (2009), the strategic triangle focuses attention on developing strategies that are of substantive value, that are legitimate and politically sustainable, and it is operationally and administratively feasible. Alford and Hughes (2008, 133) also claim that public value does not ignore the processes, and will seek the

greatest possible benefit to the public within the financial and legal resources. Public value management also seeks to address the complexity and interdependence of governance on managerial systems amidst the conflicting demands of efficiency, accountability and equity (Roy 2008).

### *Exemplars and theoretical foundations of the new models*

While it is yet to be determined if a new paradigm of public administration will develop, nonetheless, a common pattern amongst the new and oftentimes competing models of public administration appears to be emerging. Alford and Hughes (2008, 130) point out that there appears to be two central themes. The first theme is “cooperation” between organizations to achieve results and it is represented by terms such as network governance, collaborative government, public-private partnerships and joined up government. The second is the “results” theme which differs from the NPM’s focus on outputs and is denoted by terms such as outcomes management or public value management where achievement of public value is the core objective. In both cases the main theoretical basis is the democratic principles of governance. Most authors (for example, Alford and Hughes 2008; Bogason and Musso 2005; Kiljn and Koopenjan 2012; Osborne 2006; Pierre 2009) point to “network governance theory” as the theoretical foundation for these new models. While the first theme seeks to address the management puzzles around accountability and equity, the second theme primarily redresses issues posed by NPM around the puzzles of efficiency in public administration. The theoretical underpinning that responds to what Stoker (2006, 42) describes as the ‘narrowly utilitarian character’ of NPM is the creation of “public value”. The public value approach largely draws itself from the work of Moore, signalling a shift away from the primary focus on results and efficiency toward the achievement of the broader governmental goal of public value creation (O’Flynn 2007, 358). In doing so, Moore (1995) through the “strategic triangle”, posits that a strategy for public sector organizations must meet three broad tests. To constitute public value, which is at one end of the triangle, a strategy must have legitimacy and support, and must be operationally and administratively feasible. In the creation of public value, the role of manager in the public sector is to create ‘public’ value which differs from the private sector where the role of the manager is to create ‘private’ value (Moore 1995, 28). In this respect, Moore (1995, 54) claims that “public value” can be created when

the benefits outweigh the costs in the productions of goods or services, and more importantly, it must be done in a way that assures citizens that ‘something of value’ has been produced. According to Stoker (2006, 42), ‘networks of deliberation and delivery’ are central features of the “public value” approach, and it is this understanding of public interest, the nature of public service ethos, the role of managers and the contribution of democratic processes that are different from TPA and NPM. It is through the process of representative government where deliberation among elected officials, government employees and key stakeholders takes place that determine what public value is. The tool proposed towards achieving public value is a more contingent approach rather than in-built preference for either government production or market, and partnering in collaborative relationship between government organization and private for-profit or third-sector organizations (Alford and Hughes 2008).

The new models differ from TPA and NPM in their approach towards the management issues of accountability and equity by taking a negotiated goal setting and oversight, and by developing individual capacity so that rights and responsibilities are realised. This is realised through the use of the democratic principles of deliberative and responsive democracy and network theory. Stoker (2006, 47) argues that in a challenge to both TPA and NPM, under a new paradigm the ‘governance of the public realm involves networks of deliberation and delivery in pursuit of public value’. Essentially the model seeks to overcome the failure of NPM to address “wicked problems” such as the complex interdependencies by incorporating aspects of network theory (Kiljn and Kooopenjan 2012). Basically network theory focuses on those actors who participate and have access to decision-making in policy networks. Similarly Osborne (2006, 384) points to the role of multiple inter-dependent actors who contribute to the delivery of public services (a ‘plural state’), and where multiple processes inform the policy making system (a ‘pluralist state’). Networks are ‘usually informal groups of actors sharing an interest in a specific set of issues’ (Pierre 2009, 600). Brinkerhoff and Brinkerhoff (2002, 512) also point to another aspect of democratic principle of “democratic governance”, which ‘addresses social equity and inclusiveness, management of diversity, broad-based legitimacy and protection of vulnerable groups’ through mechanisms of political elections, accountability and integrity systems, conflict resolution and consensus-building institutions and procedures. They conclude that these governance models aim to open the policy and resource allocation processes beyond

closed circles of elites and devolve meaningful authority to local bodies that are accessible to citizens. It is this form of representative democracy that allows ‘flexibility to balance different interests and develop policies to meet shifting circumstances’ (Stoker 2006, 44). Stoker (2006, 48) also argues that there is a ‘need to give more recognition to the legitimacy of a wide range of stakeholders’ by involving all stakeholders in the decision-making process. The various stakeholders include business partners, neighbourhood leaders, those with knowledge about services as professionals or users, and those in a position of oversight as auditors and regulators.

### **3.5 Conclusion**

This chapter discussed Kuhn’s concept of paradigm and its application in the field of public administration. Two important characteristics of paradigms that are helpful in “making sense” in the field of public administration are, firstly, through the notion of “exemplars” that represent the dominant phenomena to solve problems that other theories are unable to solve. Secondly, paradigms provide a “worldview” that reveals the nature of things. The following chapter builds on these two key characteristics of paradigms to identify the ideal types in the field of public administration. The ideal types are identified based on the various paradigms in public administration. In this chapter, the two generally accepted paradigms of public administration, that is, TPA and NPM, and some models that are emerging as the post-NPM paradigm were identified. In addition, the theoretical foundations of each of the paradigms in public administration were also discussed. These comprehensive discussions on the paradigms set the tone for the next chapter which builds on the concept of paradigms to form ideal types in the field of public administration and the characteristics of these ideal types.

The other important points in the discussions of paradigms are the notion of incommensurability and paradigmatic changes. These key notions form the basis of discussions in the subsequent chapters. In the next chapter, we observe that unlike paradigmatic changes in the natural sciences, paradigmatic changes in the social sciences are not always clear cut and do not involve a “revolution” that Kuhn speaks of; rather public administration systems are layered, resulting in hybridity in public administration.



## **Chapter 4: Ideal types in public administration**

### **4.1 Introduction**

Chapter Four extends the discussions of the previous chapter which examined the various paradigms of public administration. It builds on the two important characteristics of paradigms, that is, “exemplars” and “worldviews”, to identify the ideal types in the field of public administration. These ideal types based on the paradigms of public administration help to determine the characteristics of public administrative systems. This chapter also argues that, in reality, public administrative systems do not always fit into one particular paradigm. Public administration systems exist as hybrid systems that are layered with characteristics of the various paradigms overlapping one another. The identification of the ideal types and the descriptions of the characteristics of each of the ideal types in public administration help to describe the nature of Bhutan’s public administration and also to explain hybridity in the case of Bhutan. It also helps in classifying the various components of PCS as either normal policies or paradigm shift policies.

This chapter starts with a definition of an ideal type. It is followed by the main discussions of the ideal types in public administration and their key characteristics. These characteristics are generally those that permeate the field of public administration. This chapter concludes with a section discussing the layering and hybridity that takes place in public administration.

### **4.2 Ideal types as “exemplars” and “worldviews”**

From Chapter Three it was observed that the two important characteristics of paradigms that are helpful in making sense in the field of public administration are through the notions of “exemplar” and “worldview”. Exemplars represent the dominant phenomena to solve problems that other theories are unable to solve. And worldviews reveal the nature of things. These two key characteristics of paradigms help in the identification of the ideal types in the field of public administration based on the various paradigms in public administration. Building on Weber’s discussions on the conceptual construct of “idealtypus” as a normative ideal that represents a general model within which

particular cases may be classified, Rogers (1969, 87) provides the following description of an ideal type:

An Ideal Type is a utopia. It is formed by the one-sided intensification of one or more points of view and by the synthesis of a great many diffuse, discrete, more or less present and occasionally absent concrete individual phenomena, which are arranged according to those one-sidedly emphasized viewpoints into a unified analytical construct. In its conceptual purity, this construct cannot be found empirically anywhere in reality.

The notions of exemplars and worldviews link to the key points from this description of ideal type. Firstly, ideal types are represented by the dominant phenomena to solve problems, which according to the definition of an ideal type is a synthesis of one or more points of view into an analytical construct. Secondly, the definition of an ideal type specifies that it is only a worldview that is helpful to reveal the nature of things conceptually rather than empirically. In addition to providing a definition of ideal type, Rogers (1969) also identifies three categories of ideal types: concrete historical individual (an analysis of elements of real phenomena), relative historical concepts (analysis of ideas) and general ideal types (analysis of recurrent and prevalent phenomena). The ideal type as understood and used in this thesis mainly belongs to the category of the "general ideal type". As Rogers (1969, 90) explains, an analysis of bureaucracy or hierarchy as an ideal-typical institution falls in the category of "general ideal type" because bureaucracy is a 'sub-type of legal authority in Weberian methodology' (Rogers 1969, 90). Similarly, extending this explanation of bureaucracy as a general idea type in public administration that analyses recurrent or prevalent phenomena, a market model (that represents the NPM paradigm) is also ideal-typical institution. This thesis also extends the notion of the ideal type to include Roger's second category of ideal types, that is, "relative historical concepts" or the analysis of ideas. This allows the network model (that represents a post-NPM paradigm), which is an emerging model, to be labelled as an ideal type as an idea that is helpful towards revealing the nature of public administration systems conceptually. In the following section, in addition to the main characterisation of the paradigms represented as either a hierarchical, market or network government, we also examine other characteristics of

each of the paradigms of public administration. These descriptions reveal the nature of the different characteristics of the ideal types in public administration.

### 4.3 Key characteristics of the different ideal types

Prior to setting out the descriptions of each of the characteristics of the ideal types, it is important to note that in addition to the TPA, NPM and emerging models, the patronage system has also been included as an ideal type of public administration. While it has never been classified as a paradigm, the patronage system is an important component of administrative history and forms the basis for the emergence of the TPA as a paradigm. In the Kuhnian sense, the patronage system is the 'pre-paradigm' period, which is a period marked by frequent and deep debates over legitimate methods, problems and standards of solution, and that serves as a platform for the emergence of a paradigm (Kuhn 1970, 48). Sorauf (1959, 28) defines the patronage as 'an incentive system', a political currency with which to purchase political activity and political responses. It can be assumed that the patronage system prevailed in many nations from the early periods of public administration's history right until around the time when modern public administration systems in the seventeenth and eighteenth centuries were introduced in Western countries. The patronage system has been included in the ideal type framework since some countries, particularly developing countries such as Bhutan, still continue to exhibit characteristics of the patronage system in their public administration.

To that end, similarities and differences between these ideal types are outlined and summarised in Table 6. In the literature pertaining to public administration, there are references to eight characteristics that permeate its practice: characterisation, citizen-state relationship, accountability of senior officials, dominant focus or guiding principles, key attributes, preferred system of delivery, performance objectives and role of public participation. These relate closely to the three puzzles of public administration that Stoker outlined in Chapter Three (with reference to Table 5). To answer some of these three fundamental questions, a typology representing the broad characteristics of the main paradigms and approaches of public administration is presented in Table 6. The typology highlights the ideal types in public administration represented by each of the paradigms.

**Table 6 Ideal types of public administration**

	<b>Patronage</b>	<b>Traditional Public Administration</b>	<b>New Public Management</b>	<b>Emerging Models</b>
<b>Characterisation</b>	Spoils System	Bureaucratic	Post-Bureaucratic, Competitive Government	Post-Competitive, Collaborative Governance
<b>Citizen-State Relationship</b>	Servant-Master	Obedience	Entitlement	Empowerment
<b>Accountability of Senior Officials</b>	Ruler/Sovereign	Politicians	Customers	Citizens and stakeholders
<b>Dominant Focus/ Guiding Principles</b>	Loyalty	Rules	Results	Relationships
<b>Key Attributes</b>	Personal relationships	Impartiality	Professionalism	Responsiveness
<b>Preferred System of Delivery</b>	Duress/ Forcibly	Hierarchical departments or self-regulating profession	Private sector or tightly defined arms-length public agency	Menu of alternatives selected pragmatically
<b>Performance Objectives</b>	Satisfying the needs of the ruler/sovereign	Managing inputs	Managing inputs and outputs	Multiple objectives including service, outputs, satisfaction, outcomes
<b>Role of Public Participation</b>	Provide services	Limited to voting in elections	Limited—apart from customer satisfaction surveys	Crucial—multifaceted (customer, citizen, key stakeholder)

Source: Adapted from Kelly et al. (2002), O'Flynn (2007), Stoker (2006) and UN (2005)

### **4.3.1 Characterisation**

The patronage system can be characterised by the notion of “spoils system”. It is a system that is based on the concept where ‘it is axiomatic that “to the winners go the spoils”’ (Gardner 1987, 171). Prior to the TPA it was considered one of ‘the most

effective devices through which executive influence could be exerted' (Kaufman 1956, 1068). The spoils system was prevalent during the times of kings and emperors who distributed power and position to loyal supporters, and also in the United States, where the president appoints political supporters to the government. The spoils system benefits both the benefactor and the beneficiary.

The characteristic feature of the TPA is its bureaucratic nature. In its ideal form, the TPA is characterised by a hierarchical and multi-layered structure grouped by functions (Alford and Hughes 2008). The structures tend to be highly centralised and top-down, where the spans of control are larger as the ranks get higher. It was considered during TPA's initial years that such hierarchical, centralised and specialised structures were conducive to efficiency (Lane 2000). As such, the objective of TPA is to create a professional administrative system to pursue economy and efficiency through the utilization of science and rationality (Luton 2003; Waldo 1955). Its main features seek to introduce into the system consistency, uniformity and professionalism that the patronage system lacked through the principles of Weber's bureaucracy and Taylor's scientific management such as routinisation, standardisation and specialisation.

In the NPM ideal type, there is a fundamental shift in the structure of the public sector from its predecessor. Dunleavy et al. (2006, 470) point out that the integrating themes of NPM that have influenced its characteristics are 'disaggregation', where large public sector hierarchies have split to wider flatter hierarchies, and 'competition' which introduced purchaser/provider separation into public systems to allow multiple forms of provisions to create competition. Couplets such as steering rather than rowing, empowering rather than serving, replacing bureaucratic process with market processes, meeting the needs of customers and not the bureaucracy, earning rather than spending, preventing rather than curing and moving from hierarchy to participating and team work are used to articulate the changes that were taking place from the TPA to the NPM (Frederickson 1996, 264). The NPM led to the creation of leaner and flatter organizations in the public sector. This was achieved through either hiving-off the large organizations into smaller autonomous agencies or down-sizing of the organizations to maintain economies of scale and improve organizational effectiveness and efficiency (Pierre 2009). This trend towards 'agencification' (Halligan 2001, 7) was to empower agencies with greater managerial autonomy and flexibility.

The post-NPM ideal type is not settled yet, but most of the new models emphasize collaborative governance as their main characteristic feature. According to Vigoda (2002, 529), collaboration is an 'indispensable part' of democracy and a collaborative process normally includes 'negotiation, participation, cooperation, free and unlimited flow of information, innovation, agreements based on compromises and mutual understanding, and a more equitable distribution and redistribution of power and resources'. The post-competitive systems of public administration broadened the focus of the government because of the diffusion of responsibilities and capacities within the society (James 2001, 233). It has also led to the focus on horizontal coordination by improving inter-organizational coordination and management in order to create a platform where the societal actors are engaged to improve policy and public services and to enhance the legitimacy of policy decisions (Klijn 2008). This coordination has also helped to eliminate contradictions and tensions between policies, to make better use of resources, to enhance cooperation among stakeholders and to produce an integrated set of services for the citizens (Pollitt 2003).

#### **4.3.2 Citizen-state relationship and role of public participation**

The citizen-state relationship in the patronage system is that of a servant-master relation where the citizens are required to provide services to the state. The public administration is based on relationships between the patron and the client, which range from those types of relationships that serve the personal interests of the patron to one where the relationships serve the mutual interests of the patron as well as the clients. Kaufman (1974, 285, cited in Bearfield 2009, 68) identified three characteristics of patron-client relations: first, the relationship occurs between actors of unequal power and status; secondly, the relationship was based on the principle of reciprocity; and thirdly, the relationship was particularistic and private, anchored loosely in the public law of community norms. Therefore, based on the type of relationships between the patron and client, offices and posts are established on a needs-basis and that will best serve personal interests.

Under the TPA, the citizen-state relationship tends to be based on obedience where the citizens are under the guidance of a more educated and professional state. The officials

under the TPA can be perceived to be heavy-handed when providing services. This is mainly because of the state's ability to concentrate on its clients and because it enjoyed a monopoly in the provision of services. There is a lack of competition in terms of the services and the public does not have the choice to either accept or reject their services. The role of the public is also limited to exercising their right to vote in the elections.

NPM emphasizes entitlements as the citizen – state relationship from a more market-based view, where the state is seen as a provider and the citizens are the customers receiving products. NPM seeks to create 'quasi markets' where new organisations are created which distinguish between the entities responsible for commissioning or purchasing the services from those that provide these services (Dawson and Dargie 2002, 35). And the relationship with the customers is governed through limited feedback mechanisms by way of complaints procedures, customer satisfaction surveys and market research (Newman 2002), rather than engaging in face-to-face exchanges of information, ideas and values (Box 1999).

Through collaborative democratic processes the new models seek to empower the citizens and produce policies that are effective in achieving the public needs (Denhardt and Denhardt 2000). These collaborative forms of governance sought to create an open and responsive system. Through deliberative democracy it tends to create a platform to serve in a new public service. For instance, a system that extends beyond management and services to include new forms of state-society linkages with the civil society and community participation (UN 2005). And also a system that 'values citizenship and public service above entrepreneurship' where the public interest is shaped by the public officials in partnership with citizens (Dernhardt and Denhardt 2000, 557). The role of public participation is deemed crucial and they are involved in a multifaceted role as customer, citizen and key stakeholder. Under these new models, public managers must manage through networks, be open to learning in different ways and draw in resources from multiple sources (Stoker 2006).

#### **4.3.3 Guiding principles, key attributes and performance objectives**

The guiding principle of the patronage system is loyalty. The symbiotic and personal relationships of beneficiary-benefactor form the key attribute of the patronage system.

For the beneficiaries it means that they get employed, and for the benefactors, appointing people loyal to them means they achieve their political aims. Bearfield (2009, 68) identifies four styles through which patrons pursue their principal goals: (1) organizational patronage, which is used to strengthen or create political organisations; (2) democratic patronage, which seeks to achieve democratic or egalitarian goals; (3) tactical patronage, which uses the distribution of public offices to bridge political divisions or cleavages as a means of achieving political or policy goals; and (4) reform patronage, which emerges when those committed to reforming the existing patronage system themselves engage in the practices as the means of replacing the corrupt political regime that preceded them. The main indicator of performance is longevity in a particular position, whether it is the leader or the official. For the patron, the goals are to consolidate power and increase or maintain their scope of influence; and for the client, the goal is to serve loyally towards fulfilling the goals of the patron (Bearfield 2009). There are no other particular standards of measuring performance in place, and all channels of accountability directly lead to a leader or one dominant political party. Rules, if at all present, are also often arbitrary, which could be unjust, particularly to those who are unable to prove their loyalty or unwilling to indulge in personal political games. Financial rewards and other incentives are based on the spoils system and are entirely dependent on the whims of the leaders.

A fundamental guiding principle of TPA is the role of rules and manuals that guide the actions and behaviour of the staff. It is mainly drawn from the fundamental category of Weber's rational legal authority where official business is based on continuous rule-bound conduct. These rules enacted through laws and regulations are often prescribed as one-best-way of working in the form of comprehensive manuals, and are generated from the principles of scientific management. Agencies are managed through general rules that the officials are expected to have thorough knowledge of. Adherence to the rules is a key criterion for determining performance, and the failure to obey rules also results in appropriate penalties (Barzelay and Armajani 1992). Although the system sometimes tends to excessively rely on these rules and regulations (Peters and Savoie 1994), the main intention of such rules and regulations is to introduce principles of uniformity, predictability and equality in the system. Staff are selected and promoted on a merit-based system and they are normally appointed for life. Normally recruitment is conducted through competitive examinations or through the determination of a set of



criteria that is required of that position. Their posts are often their sole or major occupation (Pollitt and Bouckaert 2004), that is, they are highly professional and do not engage in multi-tasking activities. A key feature of the performance management system under the TPA is its emphasis on managing inputs. The logic of scientific management, as argued by Light (2006), is to create a single executive with tight control over the public officials and who closely watches over the expenditures and revenue. According to Meier (1997, 1995), bureaucracies perform best when provided with clear goals by the politicians, allocated adequate resources and when given autonomy to apply their expertise to the problem. TPA focuses on processes that are guided by rules and regulations that seek to ensure uniformity and achieve technical efficiency. Performance appraisal rewards normally tend to be based on formal education, merit and tenure. Career paths are structured into hierarchical levels, and promotions are made in accordance with transparent criteria of achievements.

A key attribute of the NPM is “professionalism” of the public sector. This is achieved through multiple ways. One of the means to achieve professionalism is in the way staff are hired and rewarded. Individual agencies are given authority and flexibility to determine recruitment of staff, incentives and appraisals (Dawson and Dargie 2002). Moving away from a tenure appointment, staff are often hired on contract for a certain period or based on the immediate needs of the organisations. This also means that people can be recruited at various levels, often at the senior management levels with executives from the private and corporate sectors being hired to introduce into the public sector business models of management. Promotions and other rewards and incentives are also closely tied to performance. Another way to achieve professionalism is to make organisational structures more flexible so that there is a better flow of information and improvements in both the internal and external processes of effective management (Vigoda-Gadot and Meiri 2008). The NPM also witnessed the role of the financial manager playing a key role in the practice of public management (Gray and Jenkins 1995). Accounting, budgeting and auditing systems are used to determine resource allocations and there is a greater emphasis on cutting direct costs and parsimony in the use of resources. Financial resources are allocated to agencies based on their performance in delivering outputs. The performance management system in the NPM is different from the TPA. New performance regimes that apply new institutional economics and rational choice ideas to public services form the ‘core part’ of NPM

(Talbot 2008, 1573). Through tools such as key performance indicators and performance compacts specific performance measurement strategies are developed. These tools seek to produce better and more desirable outputs in a similar manner to private firms operating and functioning in a market environment (Aberbach and Christensen 2005; Vigoda-Gadot and Meiri 2008). Organisations are encouraged to establish explicit standards and measures of performance and stress greater emphasis on output controls. Goals and targets are clearly defined and performance indicators are expressed in quantifiable terms (Klijn 2008). Resources and rewards are directly linked to performance and accountability is based on the achievements of results rather than on following standard operational procedures. Such performance-based pay schemes appeal to the logic of market-like mechanisms and seek to increase employee performance and organisational productivity (Llorens and Battaglio 2010). Financial incentives such as merit-based pay and bonuses are a move away from the pay based on longevity under the TPA, and reflected the fact that NPM was developed on specific notions of human behaviour.

The emerging models emphasize the involvement of a wider set of stakeholders in policy making with the guiding principle focusing on relationships among the stakeholders. Rather than just satisfying the demands of the customer, it is now considered important to build relationships of trust and collaboration with citizens, who are beginning to play an active role in determining policies (Bourgon 2009; Denhardt and Denhardt 2000). These new models acknowledge that the delivery of public services involve multiple inter-dependent actors and multiple processes (Osborne 2006), and span across any or all levels of government and involve groups outside the government (Christensen and Laegreid 2007). A key attribute of the new models is responsiveness. According to Vigoda (2002, 528), being responsive is critical for politicians, bureaucrats and citizens, and a responsive politician or bureaucrat must be reactive, sympathetic, sensitive and capable of understanding the public's needs and opinions.

#### **4.3.4 Accountability**

Under a patronage system the accountability of senior officials is to the leader or sovereign of the day. The criteria and mechanism to establish accountability depends

entirely on the leader or sovereign. In Chapter Three, Stoker (2006) argued for the paradigms in public administration based on the three puzzles that each of the paradigms answers. One of the key puzzles relates to accountability. We saw (from Table 5) that under TPA, accountability is to elected political leaders who steer and exercise oversight. For NPM, managers are held accountable for achievement of targets that are set by politicians. And under PVM accountability is addressed by negotiating goal setting and oversight.

Similarly, Romzek and Dubnick (1987) in their study of accountability in the public sector point to four types of accountability: bureaucratic, legal, professional and political. The accountability mechanism in the TPA is represented by a “bureaucratic” accountability system of an organised and legitimate relationship between a superior and subordinate and a close supervision of standard operation procedure. Generally in TPA accountability of public servants is to the politicians. The permanent career public officials implement the policies made by the politicians anonymously in a neutral, objective, economical and efficient manner (Aberbach and Christensen 2005; Meier 1997; Waldo 1955). Public servants are also expected to provide advice and recommendations based on information, analysis and laws of the land to elected officials (Foster 2001). In return for their objective and neutral services, the anonymity of the public official is maintained.

In the NPM, accountability systems according to Romzek and Dubnick (1987) fit the categories of “legal” and “professional” accountability systems. Legal accountability is based on relationships between controlling parties outside the agency, such as individual or groups in a position to impose legal sanction or assert contractual obligations. And professional accountability is characterised by placement of control over organisational activities with the employee with the expertise. In this respect, under NPM agencies aim to imitate the market model by providing efficient services to the citizens. Thus the accountability of senior officials under such a paradigm is to customers. The accountability is demonstrated by commitment to measure and report performance (Kelly 2005).

The fourth category of Romzek and Dubnick (1987), that is, “political accountability”, describes the accountability systems of the post-NPM paradigm. The accountability

system resembles a representative—constituent where the potential constituents include general public, elected officials, agency heads, agency clientele, other special interest groups and future generations. Denhardt and Denhardt (2000, 555) contend that, in the post-NPM paradigm, ‘accountability isn’t simple’, and that public officials must also be attentive to statutory and constitutional law, community values, political norms, professional standards and citizen interests. The accountability, in such instances, is ensured through a deliberative process where views and perspectives of the citizens are sought during the process of policy formulation.

#### **4.3.5 System of delivery**

The patronage system takes a top-down approach in the delivery of services through duress. Decisions are made solely by an individual or by a small group of people. It is pivotal that the leader maintains and improves the communication systems to facilitate transmission of orders and ensure the flow back of resources and information (Gladden 1972). The decisions made, even if they do appear to be benevolent, are often to serve or further personal interests. The citizens do not have a voice in making or altering the decisions, unless they choose to initiate a revolution against the leader.

In the TPA, the system of delivery is through hierarchical departments or through the process of self-regulation. According to Weber (1978, 218) organisations of bureaucracies follow the principle of hierarchy and each lower office is under the control and supervision of a higher one. Based on the rules that governed the organisation and instructions meted out by the superiors, officials are confined to performing specific and specialised functions. The trend in the assignment of roles are generic and predictable (Barzelay and Armajani 1992). For instance, experts such as engineers, law-enforcement officials and social services are to be assigned to line agencies, and experts in budgeting, accounting, purchasing, and personnel were to be assigned to centralised staff functions. The delivery of services is often performed by the lower level frontline staff with instructions from those higher levels.

In the NPM ideal type, the public sector sheds functions to the private and non-profit sector, particularly those that could be more effectively provided by competitive markets and where there is a preference for in-house monopoly government provision.

In instances where privatisation is not feasible, the government enterprises either create corporate entities (Halligan 2001) or facilitate cooperation of public and private organisations (Turner and Hulme 1997). They are also intended to serve as a measure of improving accountability and quality of service (Llorens and Battaglio 2010). A clear distinction is visible in the role of the public sector as a policy formulator versus its role in the policy execution and the delivery of services. NPM prescribes the role of public officials to be strengthened as a policy formulator, that is, the steering functions rather than the rowing functions (Lane 2005; McCourt 2002; Osborne and Gaebler 1992). It is felt that the separation of roles would avoid conflicts of interests during implementation and also at the same time making it easier to regulate and ensure that the other agencies responsible for delivery of services were performing. In turn the agencies are to be committed to delivering on a set of performance indicators by signing contracts with the government.

An important aspect of the new models of public administration is their emphasis on improving service delivery through a menu of alternative selected pragmatically. Rhodes et al. (2008, 465) point out that improving service delivery has now become a priority for government policy making, and argue that this feature represents a departure from the government's role in the twentieth century which focused on playing a regulatory role and creating a welfare state, and later in the NPM-era to outsourced services.

#### **4.4 Layering and hybridity in public administration**

Although debate continues whether or not there is a new paradigm of public administration post-NPM, nevertheless, there appears to be increasing consensus (for example, Bourgon 2009, Brinkerhoff and Brinkerhoff 2002, Capano 2003, Christensen 2003, Rhodes et al. 2008, Olsen 2005, UN 2005) that public administration systems are mostly hybrid in nature. These hybrid systems incorporate features and characteristics of the various paradigms and models of public administration. Administrative systems tend to merge or are superimposed with one another and do not replace one another (Capano 2003). Rhodes et al. (2008, 463) also point out to civil services in Westminster systems that have evolved according to a hybrid set of traditions of governance inherited from the political and parliamentary realm and learnt through the

administrative practice. Similarly Christensen (2003, 113-4) contends that 'civil service systems are more specialised than before, both horizontally and vertically', reflecting the increasing complexity of political-administrative systems and decision-making processes. Developments such as the increase in the number and type of actors in the decision-making process have led to new and hybrid structures that are based on a combination of differentiated set of theories of public administration (Christensen 2003, 113-4). On the other hand, forces of economic liberalisation, globalisation and democratisation have also led to reform movements whose 'concepts and prescriptions [lead] into a common model with economic, administrative and political dimensions' (Brinkerhoff and Brinkerhoff 2002, 512).

To understand the nature of hybridity in public administration, Drechsler's (2013) concept of "paradigmattes" is helpful. One such paradigmte that Drechsler identifies combines aspects of TPA, NPM and post-NPM concepts. The concept of paradigmte is an insightful way to examine the layering and creation of hybrids that takes place in public administration. Such a paradigmte could offer a new synthesis of public administration that builds on the "best" attributes of the paradigms and models. It has been argued that bureaucratic, market and network organisations are 'different mechanisms for achieving rationality, accountability and control; mobilizing resources and compliance; and organizing feedback from society'; and that in modern pluralistic societies with different conditions, systems are unlikely to be organised based on a single principle (Olsen 2005, 16). Such combinations of the characteristics of paradigms have been offered as suggestions. For instance, Klijn and Koopenjan (2012, 599-600), point out that ideas from governance network theory offer solutions to the drawbacks of NPM by reimposing hierarchy and enhancing control, and NPM on the other hand helps to mitigate the blind spot of network governance by limiting the risk of endless deliberation without paying attention to transaction cost and accountability. Others (such as Lynn 2006 and Terry 2005) make a case for the importance of rules and regulations of the TPA paradigm as a stabilizing force and to structure conduct in organisations. As reforms spread it became apparent that these approaches layer on each other to adapt to local context. To this extent, Gray and Jenkins (1995, 95) advise: there must be a willingness for the earlier paradigms such as TPA and NPM to adopt the conceptual and methodological frameworks of the new approaches to help 'forge an empirically based range of theories that bring together both public administration and

public management'. Otherwise they warn that it will lead to a public sector that is ill-informed, and where changes will lead to perverse results and disillusionment will continue to increase. In this respect, Bourgon (2009, 11) identifies the hallmark of a good government as: respecting the rule of law and democratic institutions; following due process, including fairness, transparency and accountability for the exercise of powers and expenditure; and fulfilling an expectation that public servants, in serving the public trust, will exhibit integrity, probity and impartiality. Furthermore, Bourgon (2009) adds that a new synthesis of public administration, should at the minimum, preserve and value:

1. The internal drive for making government more productive, efficient and effective;
2. The attention paid to improving service delivery and the need for continuing improvements in response to the expectations of citizens and to changing circumstances;
3. The focus on sound governance that incorporates other sectors and actors; and
4. The power of modern information and communication technologies that is transforming the role of government, the relationship between government and citizens, and the role of public servants.

Another paradigm could be one with a combination of Western and Eastern paradigms. Although Drechsler (2013) did not specifically identify this as a paradigm it does fit the definition he sets out. Here again, Drechsler (2013), offers an insightful perspective on the differences between Western public administration and Eastern public administration from a paradigmatic point of view. As we saw earlier, he identified three paradigms, the Western public administration, the Chinese public administration and the Islam public administration. In bridging the divide between ideal and reality, he offers a Multicultural public administration where 'good' public administration would depend entirely on the culture and context and is a good alternative to the 'erroneous simplicities' of global-Western public administration (Drechsler 2013, 6). He also suggests another model, Contextual public administration, which in way fits in with Bourgon's new synthesis of public administration, and argues that there is a 'good public administration' (Drechsler 2013, 6). This good public

administration is to realize the context and circumstances that the public administration system is situated within and to adapt the good and well-working public administration into this context. In such situations where public administration is adapted to suit the context, Drechsler (2013, 6) argues, there will be 'small nucleus of well-working public administration that almost always work', at the second and larger level will be where 'principles are adapted to the context and thus work', and at the third level 'where solutions work well within a given paradigm but not (necessarily) in any other one'. Such a discussion of a paradigmette based on a Western-Eastern paradigms combination helps in understanding the ideal versus practice gap. This is particularly in the case of non-Western nations, where it has been argued that there is a wider gap between ideal and practice. Welch and Wong (1998, 40) contends that this wider gap arises in non-Western countries because 'literature that was designed for the West or for Europe is applied to non-Western nations', creating tensions. This difference also appears when implementing public sector reforms in non-Western nations. In studies related to the transfer of NPM principles to countries in Southeast Asia conducted by Cheung and Scott (2003) and Common (2001), they conclude that there was a fundamental misfit between the logic of NPM, which emphasizes the market and the socio-political realities of Asian countries where the state institutions have a dominant role. Olsen (2005, 16) also argues that adopting reforms based on Anglo-Saxon prescriptions is likely to have 'detrimental' and 'disastrous' consequences, particularly when they are made in shorter time frames and within tight budgetary constraints.

A third useful paradigmette of public administration, particularly for this thesis, is one that combines aspects of the public administration in a developed country and the developing country. In the case of developing countries, the contextual differences within which public sector reforms are implemented are stark, and transfer of public sector reforms from the developed countries to the developing countries is often fraught with inconsistencies and confusion during implementation. In some developing countries values such as hierarchy, kinship and communal networks continue to influence the performance of the public sector (Andrews 2008; Cheung and Scott 2003; Klitgaard 1997). In addition, it has been agreed that elite actors in the governance system in developing countries do not encourage reforms since they gain from inefficient administrations (Baker 2004). This paradigmette is a corollary of both the ones described earlier, that is, one that combined aspects of TPA, NPM and post-NPM



models and the second one that combined aspects of Western-Eastern paradigms. The third paradigm will be particularly useful when discussing the layering and hybridity of Bhutan's public administration, which is situated within the context of a developing country and with a history of an Eastern public administration. The adoption of a more Western public administration system in Bhutan during the 1960s has had a dramatic impact on an administrative system that was largely based on a secular institution influenced by Tibetan Buddhism. To add to this complexity, right until 2008 the government of Bhutan was based on absolute monarchy with popular monarchs governing the country. There have been specific points after the 1960s when the Bhutanese government has strived towards achieving certain ideal types of public administration that attempt to solve the management puzzles. In our discussions on Bhutan's public administration history in the next chapter we shall see that it was in the late 1980s and in early 2000s when public sector reforms were introduced to address issues of efficiency, accountability and equity. All these developments, that have taken place within a short period of time, have led to a layered or hybrid public administration in Bhutan.

## **4.5 Conclusion**

In this chapter, a typology of ideal types in public administration was developed based on the two key characteristics of paradigms, that is, exemplars and worldviews. The two main paradigms in public administration, TPA and NPM, and characteristics of the some of the key post-NPM models formed the ideal type typology. In addition, the characteristics of the patronage system were also included into the typology. This is an important feature of the typology as the patronage system continues to be relevant to most countries in the form of political patronage.

The next chapter, using the ideal type typology, provides a framework for Bhutan's public administration history by mapping the characteristics onto the ideal type typology. It also provides a detailed description of each of the characteristics of the ideal types. And in the later chapters, the description of the characteristics of the ideal types assists in determining the nature of the various components of PCS. Such means of differentiation of the components of the reforms is helpful to understand the dynamics of their interactions.

## **Chapter 5: Bhutan's approach to public administration from modernisation to the new millennium**

### **5.1 Introduction**

The previous chapters discussed the concept of paradigms in public administration and identified the ideal type typology based on these paradigms. In this chapter and the next chapter, the ideal type typology is used to examine the characteristics of Bhutan's public administration at different stages of its history and development. This chapter focuses on the characteristics of Bhutan's public administration since the modernisation of the country in the 1950s and 1960s until 2006, that is, the year when PCS was implemented in Bhutan. The next chapter describes Bhutan's public administration after 2006.

This chapter starts with a history of public administration in Bhutan. It describes the establishment of a diarchal system in Bhutan separating state affairs from religious affairs. The historical perspective also provides a context for the second section of this chapter, which discusses the modern public administration as a result of the introduction of planned socio-economic development in the 1950s and the introduction of the Cadre System in the 1980s. The third section examines the characteristics of the public administration system that existed prior to 2006 within the ideal type typology in the following section.

### **5.2 History of public administration in Bhutan (seventeenth – mid-twentieth century)**

Bhutan's political history is steeped in a strong cultural influence of Buddhism and is closely interlinked with its religious history, and is also infused in the socio-economic development activities of the nation (Rose 1977). Aris (1994) discerns two critical transitions in the life of the Bhutanese state. The first transition is the foundation of a central government in the seventeenth century by the leader of the *Drukpa Kargyupa* sect of the Tibetan Buddhist School, *Zhabdrung* Nawang Namgyel (b. 1594-1651).<sup>2</sup> He

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<sup>2</sup> The title *Zhabdrung* literally translates to "at whose feet one submits", and *Zhabdrung* Nawang Namgyel was the prince-abbot of Ralung Monastery in Tibet. He was recognized as the reincarnation of

is responsible for unifying the country and bringing to an end the civil strife among the other religious sects prevalent in Bhutan during the period. He is also responsible for creating a diarchal form of government, which separates religious administration from political administration. The second transition came about with the formation of a hereditary monarchy in 1907. Ever since then, the monarchy has played an important role in the Bhutanese polity by maintaining a balance between tradition and modernity on the one hand, and on the other between religion and secularism (Mathou 2000). The monarchy continues its pivotal role in the contemporary Bhutanese state, and retains the traditional form of 'sacred' role in Bhutan (Riggs 2006, 926).

### 5.2.1 Establishment of the diarchal (*Choe-Sid*) system

Upon *Zhabdrung* Nawang Namgyel's arrival in the country from Tibet in 1616, with a group of loyal supporters mostly based in Western Bhutan, he set out to consolidate the nation, which until that point of time was largely fragmented. Pockets of regions were being ruled by numerous dominant personalities or their supporters of the various Buddhist sects prevailing in the country.<sup>3</sup> During the years prior to the 1600s there is little information that can be gleaned relating to the local administration and there is no systematic account of the organisation of government in Bhutan (Aris 1994; Pommaret 1997a). However, by the 1640s, government took a definitive form in Bhutan when the *choe-sid* system was established. This diarchal system of governance separated the spiritual (*choe*) from the political (*sid*), and under this system the *Zhabdrung* remained the head of state. The *je khenpo* (chief-abbot) was head of the religious administration and the *desi* was head of the civil administration. The main role of the *je khenpo* was to ensure religious teachings and to manage the monk body, and the *desi* was responsible for the management of the properties and wealth of the monk body. During this period, religious affairs had a dominant influence in all state-related matters. The appointments of the two key positions, made personally by the *Zhabdrung* from amongst his loyal followers, were both given to monks—Pekar Jugne (1604–1672) as the first *je khenpo* and Tenzin Drugye (1591–1656) as the first *desi*. The *Zhabdrung* had two important

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the great *Drukpa* scholar Pema Karpo (b.1527–92) who in turn was supposed to be the reincarnation of Tsangpa Gyare Yeshe Dorje (b.1161–1211), the founder of the *Drukpa Kargyupa* school (Pommaret 1997a). Due to a problem that arose with the legitimacy of the reincarnation, he was forced to escape from his competitor who was supported by the Tsang *Desi*, the ruler of Tsang province in Tibet.

<sup>3</sup> In Western Bhutan the predominant sects were the *Lhapa Kargyupa* sect, the *Drukpa Kargyupa*, *Nyingmapas* and the *Nenyingpas*, *Barawas*, the *Chagzampas* and the *Sakyapas*. In Central and Eastern Bhutan, the dominant religious sect was the *Nyingmapas* followed by the *Drukpa Kargyupa*.

officials with him, the *zimpon* (chamberlain) to manage the *Zhabdrung*'s personal affairs, and the other was the *solpon* (chief of meals). The other important officials during the *Zhabdrung*'s rule were *dronyer* (chief of protocol), who also functioned as the chief justice, and the *kalyon* (minister), who passed on the orders of the *Zhabdrung* to the other officials.

The *choe-sid* system promulgated by *Zhabdrung* Nawang Namgyel continued throughout the next two centuries, albeit in varying forms particularly as we draw towards the end of the nineteenth century. The rules of the first four *desis* (from 1651 to 1680) saw the consolidation of the nation and expansion of the state. These first four *desis* also initiated various nation-building activities such as strengthening administration, building and enlarging the *dzongs* (large fortresses), and establishing links with other countries (Pommaret 1997a). An important development of the *choe-sid* system was the establishment of the *lhengye tshok* (State Council). The *lhengye tshok* was responsible for the appointments of the *desi*. They also assisted the *desi* in the governance of the country, and the *desi* was accountable to the *lhengye tshok*. Another important development was the division of the country into three broad geographic regions—Trongsa, Paro and Dagana—which were each headed by *penlops* (governors). The *penlops* were responsible for the levy of taxes, administration of justice and security in the areas that fell under their jurisdiction. In addition to the *penlops* there were also *dzongpons* (lords of the fort), and there were three prominent *dzongpons*—Punakha, Thimphu and Wangduephodrang. The *dzongpons* had almost the same authority as the *penlops* and had jurisdiction over the areas that fell under the particular *dzong*. Around the mid-eighteenth to the mid-nineteenth century, the *lhengye tshok* constituted the three *dzongpons* of Punakha, Thimphu and Wangduephodrang, the *zimpon* of the *desi* and the *kalyon*. Sometimes the three *penlops* of Paro, Dagana and Trongsa would also attend the *lhengye tshok*, and in such circumstances, the *lhengye tshok* would be called the *chenlah* (Rennie 1866). The other prominent positions prevalent in the system during this period were the red scarf officials (*nyikem*) which included the *nyerchen* (store master), *zimpon* and *dronyer* of each *dzong* (See Ardussi and Ura (2000, 41–42) for a detailed list of other mid- and lower level positions and functionaries).

To gain insight into how the administration worked under the *choe-sid* system, we can examine the intricacies of the taxation system during this period. Ardussia and Ura (2000) in a study on the investiture ceremony of the enthronement of *Zhabdrung* Jigme Draga I (b.1725–1761) as religious head of state in 1747 and sponsored by *Desi* Sherab Wangchuk (r.1744–1763), tally the gifts provided to each of the guests participating in the ceremony. Among others, a total of 1,149 ministers, officials and their servants were counted, which Ardussi and Ura (2000) note that for that period and compared to the first half of the twentieth century seems a fairly large proportion to the population. There were approximately 140 tax-paying sub-districts, and each of these reported through the regional *dzong* they fell under before reporting to the central government, thereby creating the additional layer of administration.

### 5.2.2 Weakening of the *Choe-Sid* system and establishment of the monarchy

Towards the end of the nineteenth century, the authority of the *desi* weakened considerably, thereby rendering the *choe-sid* system ineffective. This phenomenon was observed by the various British missions to Bhutan made during the period. For instance, in 1773 George Boyle reported that the central government still exercised control over the *penlops*; however, by 1839 during R.B. Pemberton's mission to Bhutan, the *desi* had lost considerable authority from the *penlops*, particularly the Paro and Trongsa *penlops* (Rose 1977). Rennie (1866) also makes a similar observation and notes that the *desis* possessed no real power and that the Paro and Trongsa *penlops* were in effect functioning with greater autonomy and authority. There are many reasons attributed to the weakening of the dual system. On the religious side, the influence of the monastic body had diminished which inevitably led to political decentralisation (Rose 1977). Furthermore, the inability to find reincarnations of the *Zhabdrung* also led to lack of leadership, and the ones who were identified were more interested in religious affairs (Pommaret 1997a). Understandably so, the country was plagued by internal struggles and strife, and gradually the *penlop* of Trongsa, Jigme Namgyel (b.1825–1881), who was also the father of the first king of Bhutan, emerged as the dominant political leader in Bhutan. Irrespective of the eventual weakening of the *choe-sid* system, the diarchal system created by *Zhabdrung* served as the foundation for the religious and politico-administrative system that continues to survive with only slight modifications in recent systems. The principle of 'tripartite participation' among the

people's representatives, administration and the monk community is still prevalent in Bhutan (Mathou 2000, 237). Many of the processes, systems and institutions established by *Zhabdrung* have played an important part in establishing and forming Bhutan's identity (Pain 2004) and its unclear administrative system. On the politico-economics side, the *choe-sid* system was exhibiting weaknesses especially in terms of the administrative system. There was a loss of central authority which could be attributed to the decline in the generation of revenue (Pain 2004). The main reason for this was the cessation of the fertile southern plains to the British in the late nineteenth century. Nevertheless, the need for a strong central authority resulted in the creation of a monarchy.

At the dawn of the twentieth century, the then Trongsa *penlop* Ugyen Wangchuck (r. 1907–1926) was installed as the First King of Bhutan in December 17, 1907. The decision to establish the monarchy was genuinely popular both with the officials and the public (Aris 1994). One of the main reasons for the establishment of the monarchy was the need for a centralizing authority to consolidate the diarchal system, which was fragmented towards the end of the nineteenth century. The presence of a central authority through the establishment of a monarchy was strongly supported by the British who had a strong presence in India and were seeking to establish trade routes through the help of Ugyen Wangchuck (Rahul 1997). The impact of the regime change was more noticeable to the officials than to the public (Rose 1977). For the public, the unification of the country under a single ruler meant that they did not have to provide military services but the taxes and services that they had to provide to the regional officials did not change significantly. For the officials, however, it was a significant change and the establishment of a monarchy meant that political and administrative authority was now centralised and the regional officials were under the direct supervision and control of the monarchs. The establishment of the monarchy is an important point in Bhutan's modern history. During the reigns of the first two monarchs of Bhutan considerable time and effort were spent towards the unification and consolidation of the country. The public administrative system was very small and operated from the palace (Rose 1977). Usually four key officials assisted the monarch: the *kalyon*, *dronyer*, *zimpon* and either the Thimphu or Punakha *dzongpon*. There were approximately 200 people based in the palace during the reign of the second king (Pommaret 1997b). The system of having regional *dzongs* and centres continued, and

during the reigns of the first two kings the country was divided into 11 districts headed by *dzongpons*. As representatives of the king in the districts, the *dzongpons* were responsible for all facets of administration, law-and-order and justice within their jurisdiction.

### **5.2.3 Main characteristics of the *Choe-Sid* and the early monarchical public administration systems**

Both the *choe-sid* system and the early monarchical public administration system exhibited traits of the patronage system. While it can be argued that the characteristics of the *choe-sid* system can be a part of the “non-Western” public administration paradigms identified by Drechsler (2013) and discussed in Chapter Four, that is, belonging to either the Islamic public administration or the Eastern public administration, this thesis does not attempt to pursue the argument along that pathway. Rather, the thesis examines the *choe-sid* system as a patronage system that helps in providing a historical perspective and context to the “modern” public administration in Bhutan. One of the main characteristics of the patronage system that both the *choe-sid* and the monarchical systems exhibited was the presence of a spoils system whose key attributes was loyalty to the ruler or sovereign. With the *choe-sid* system, the appointments of senior positions during the time of *Zhabdrung* Nawang Namgyel were mainly made from the monastic community. This system continued to evolve over time, with both laity and monks appointed, even for positions such as *desis*. By the nineteenth century most of the appointments to *desis* were filled by lay officials (Rose 1977). The pool from where *penlops* were appointed was mostly from soldiers rising up through the ranks and occupying positions such as *zimpons* or *dronyers* before becoming *penlops* (Rennie 1886). The first group of *desis* was directly appointed by *Zhabdrung* Nawang Namgyel, and the *lhengye tshok* was responsible for appointing subsequent *desis*. However, towards the end of the nineteenth century, the *desis* were dependent on support from the regional *penlops* and *dzongpons* who were increasingly becoming more powerful and influential. Appointments to other positions in the *choe-sid* system were mostly based on personal relationships and preference was given to close relatives and followers, and the practice was observed even during *Zhabdrung* Nawang Namgyel’s rule (Aris 1994). There also appears to be a linear pattern of promotion, where the district officials moved on to occupy positions in the central areas. It was also

mostly the forceful local leaders who were able to make such movements in positions (Ura 2004). *Zhabdrung* Nawang Namgyel also introduced a set of code of laws. These laws organised the relationship along Buddhist lines between the state and the people (Pommaret 1997a) and encouraged the inculcation of religious knowledge into the institutions (White 1909). These laws of the *Zhabdrung* formed the basis of all spiritual and temporal laws of Bhutan, and continue to serve as the foundation of the contemporary Bhutanese legal system.

In the monarchical system, the administrative structure during this period was relatively simple in terms of its structure and operations. Powers were normally vested with the monarch and the central government was strictly controlled by him. The influence of the monastic body, regional officials and other elite families diminished considerably during the rule of the second king, Jigme Wangchuck (r. 1926–1952) (Rose 1977; Pommaret 1997b). Reforms were initiated that sought to centralise the administrative system by setting up direct lines of authority and control, and all officials were directly accountable to the king. Appointments were also made by the king, including the appointment of the *Je Khenpo*. He also reduced considerably the positions of the *penlops* and *dzongpons* by directly appointing their key officials such as *zimpons* and *dronyers*. Gradually the positions of *penlops* and *dzongpons* were abolished by not appointing a replacement upon the incumbent's death, and even if the positions were kept, the monarch appointed family members or his close associates. Although the first two monarchs centralised authority, Ura (2004, 4) states that centralisation is only 'partially true'. He argues that centralisation occurred only in certain areas such as taxation, labour services, foreign and defence policies, and in all other respects it was decentralised. Rose (1977) agrees that except for the supervision of the activities of officials in the districts, there was little function for the central administration. Pain (2004, 181) also surmises that the 'limited revenue' did not allow for a central authority to establish itself. Officials were paid in kind according to their ranks and their tenure was permanent until their death or they fell out of favour with the monarch. Officials were either members of the royal family or those who were brought into the palace when they were young from non-elite families and who worked their way up the ranks by proving their service and loyalty to the monarch. Reflecting a patronage-based model, appointments for posts were mainly based on loyalty to the monarchs and familial relations were important considerations for appointments (Rahul 1997).



The other characteristics of the patronage system that both the *choe-sid* and the monarchical systems shared were in the role of public participation. In both cases the role of the public was to provide services and the citizen-state relationship was perceived to be that of a servant-master. It was during the time of the *Zhabdrung* that Bhutan went to war with Tibet on a number of occasions. On account of the wars, the *Zhabdrung* initiated the construction of *dzongs* that served as military bastions and were also the seats of religious and political power. The construction of 13 *dzongs* illustrates *Zhabdrung*'s leadership skills and was also indicative of the state formation process in the seventeenth century (Pain 2004). Subsequently the role of *dzongs* has a great significance in Bhutan's public administration. They have been the locus of all politico-administrative, social and religious activities throughout Bhutan's history since the seventeenth century. Most of the *dzongkhags* (or the administrative districts) in Bhutan even today continue to centre their administrative jurisdiction and populace round the *dzongs*. Another related administrative aspect to the construction of the *dzongs* was the need for resources and labour to construct the massive structures. The people were expected to contribute compulsory labour towards the building and maintenance of the *dzongs* (Pommaret 1997a). The resources, for other state purposes in addition to the construction of the *dzongs* came through the payments of in-kind taxes. However, the system of taxes was prevalent before the time of the *Zhabdrung*, in the form of many localised systems (Ardussi and Ura 2000).

In the era of a new monarchy, the primary function of the central palace-based administration was the administering of taxes, which was still collected in-kind and through labour services. Through a meticulous system of record keeping maintained by the *nyerchen*, and which the king oversaw personally, greater control and authority was exerted by the monarch. The Second King, Jigme Wangchuck, also initiated some taxation reforms that attempted to put in place an equitable taxation system. The number of government officials was also substantially reduced, thereby reducing the tax burden because they were expensive to maintain. The first attempt was made to build the local capacity of the Bhutanese people by sending a group of young Bhutanese students to India to receive a Western-style education in 1914. Simultaneously, schools based on the Western education systems were started around the same time in central and western Bhutan. From this pool of students who were able to complete their

schooling, a few were sent for additional vocational training in the fields of teaching, forestry, medicine, veterinary, agriculture and mining (Aris 1994). Upon completion of their training they came back and served the government as one of the first group of professionally trained civil servants.

### **5.3 “Modern” public administration (1960s–1990s)**

In addition to the two transitions in the life of the Bhutanese state identified earlier as the foundation of a central government in the seventeenth century by *Zhabdrung* Nawang Namgyel and the formation of a hereditary monarchy in 1907, two other transitions post-1907 can also be identified. The third transition was the introduction of planned economic development in the country in the late 1950s and early 1960s. This coincided with the reign of the Third King of Bhutan, Jigme Dorji Wangchuck, who is also called the “Father of Modern Bhutan”. Widespread socio-economic development in the country required the set-up of organisational institutions and mechanisms to manage the change from a subsistence and barter economy to one that was based on a monetized economy. Investments in education, health and infrastructure required both human and technological developments. The fourth critical transition was when the Fourth King of Bhutan, Jigme Singye Wangchuck, devolved his executive powers in 1998 voluntarily, and introduced parliamentary democracy in 2008. Bhutan is now a democratic constitutional monarchy with an elected cabinet and parliament functioning as the executive and the legislative respectively, and the king’s role is now limited to that of head of state.

The section examines Bhutan’s public administration system during the period when political and economic development were initiated in the 1960s, leading to the introduction of a Westernized, and therefore “modern”, form of public administration. The 1960s through to the 1990s saw the Bhutanese public administration seeking to establish an ideal type along the lines of the traditional public administration paradigm.

#### **5.3.1 Introduction of planned socio-economic development**

The decades of the 1950s and 1960s marked an important transition of Bhutan in terms of its political and economic development. It was during this time that major events were unfolding in Bhutan’s immediate neighbouring countries. To the south, India had

just gained its independence in 1947, and was in the process of building and consolidating itself as a nation. To the north, Tibet was taken over by China in the late 1950s. Tension between China and India was aggravated, sparking a brief war in 1962. These events were to affect Bhutan's polity, both directly and indirectly, forcing Bhutan to forge political relations with India, and thereby slowly opening itself to the outside world. Therefore, against this backdrop, Bhutan under the reign of the Third King, Jigme Dorji Wangchuck (r. 1952–1972) initiated economic and political changes. The inception of planned economic development in 1961 brought about social and economic changes in the country. Plans were made with a five-year period horizon and as the plans progressed, the outlay for each plan increased substantially.<sup>4</sup> In the absence of a vibrant private sector and civil society organisations, it was up to the Bhutanese civil service to initiate and implement developmental activities. The government had to build its capacity to manage the increasing and specialised workload. The 1970s and 1980s also saw a spurt in economic activities with government making substantial investments in industries and hydropower developments. It was also around this time that the government recognised the role of the private sector to enhance economic growth (Labh 1994).

The period after the decades of the 1950s and towards the end of the twentieth century witnessed considerable decentralisation and devolution of power by the monarchs to other institutions of the government as well as to the people, thus marking one of the first visible shifts from a patronage system. The Third King introduced systematic structural changes. In 1953 he established the National Assembly responsible for enacting laws and deliberating on national issues. This was followed by the creation of the Royal Advisory Council in 1965 and a separate Judiciary in 1968.<sup>5</sup> These bodies were established to separate powers and to create a system of check and balances. The Fourth King, Jigme Singye Wangchuck (r. 1972–2006) continued reforms along the lines of the Third King, and initiated a series of political devolution and administrative decentralisation programs aimed at encouraging people to participate in the planning and implementation of development activities. In 1981 the *dzongkhag yargay*

<sup>4</sup> The 1<sup>st</sup> Five-Year Plan (1961–1966) had a total budget outlay of Ngultrum 174.7 million and in the 10<sup>th</sup> Five-Year Plan (2008–2013) the total budget is Nu.143.6 billion (figures acquired from the Gross National Happiness Commission website, [www.gnhec.bt](http://www.gnhec.bt)).

<sup>5</sup> The history of the Royal Advisory Council, although it was introduced formally in the mid-1960s as an advisory body to the king, can be traced back to the State Council (*lhengye tshok*) created by the *Zhabdrung* (Mathou 1999).

*tshogchungs* (DYT) in all the *dzongkhags* were established to involve the people in the formulation of development programs and to partake in the decision-making process (Zimba 1996). The decentralisation was taken a step further in 1991 with the establishment of the *gewog yargye tshogchung* (GYT) Committees in every *gewog*<sup>6</sup> (blocks) in the country.

There were two main drivers for public sector reforms during this period. The first driver was economic in nature, and during this time the initiation of planned economic development and the up-scaling of the structural changes and the decentralisation processes required the set-up of an administrative system that was capable of dealing with these changes. In 1961, the Development Wing of the government headed by a Secretary-General was established to coordinate plans and distribute funds. It also functioned as the central organisation keeping check of expenditures and other developmental activities of the other departments. During the first five-year plan (1961–1966), the administrative system had to be reorganised and geared to the increased demand of these new developments (Verma 1988), and directorates for agriculture, animal husbandry, education and health were established. However, there was not a total shift away from the patronage system, and operation of the regular administrative system continued to function directly out of the palace during the initial formative years of the planned economic development. There were three key officials under the command of the King—the representative in the Royal Bhutan Army, the *gyaldon* (Royal Chief Secretary) and the *gyaltse* (Royal Finance Secretary). The *gyaltse* functioned as the Finance Minister responsible for all financial matters and the *gyaldon* functioned as the Home Minister supervising the activities of the central and district administrations.

The second driver was political in nature, and it was in 1968, when the Third King in consultation with the National Assembly approved the formation of the Council of Ministers, that a major change in the administrative system occurred. The role of the palace was substantially affected and all administrative matters were handled by the Council of Ministers. Initially three ministers were appointed to the Council: the Finance, Home Affairs and Trade, Commerce and Industry ministers; and in 1973 the

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<sup>6</sup> The regional administrative set-up is *dzongkhag* (district) divided into *gewog* (block) and which is further sub-divided into *chivog* (village). Some larger *dzongkhags* have *dungkhags* (sub-districts).

foreign minister and three other deputy ministers were included. In 1974 the Council of Ministers was expanded to form the Coordination Committee with additional members which included the secretary general and secretary of Development Ministry, the secretaries of the Trade and Industry and the Communication ministries, one representative from the *lodoe tshogde* (Royal Advisory Council) and two Indian advisers on economic affairs, and the king also attended some of the sessions. The regional administration also underwent changes. Two subdivisions in southern Bhutan were created in the early 1960s and 13 *dzongkhags* in northern Bhutan. The increase in the number of *dzongkhags* was to facilitate in the implementation of the development programs (Rose 1977). By 1974 there were 15 *dzongkhags* (Rathore 1974) and the number of *dzongkhags* presently stands at 20, which is further sub-divided into 205 *gewogs*.

The first step towards introducing characteristics of the TPA in Bhutan's public administration was the drafting of the civil service rules in 1972 under the instructions of the Council of Ministers. These rules set out to establish uniform service conditions for all agencies of the government and setting standards for employment and promotions of the officials. This initiative marked a major shift in responsibility for the palace because previously it was the palace that possessed the ultimate authority for the appointment and promotion of all officials (Rose 1977). The Manpower Department was also created in 1973 as the central personnel agency to coordinate and manage all human resource management and development of the government. The public administrative system in the early 1970s consisted of the minister as the highest ranking civil servant. The ministers functioned as the chief executive of the ministry or agency, and each was responsible for the formulation and implementation of policies and programs in his organisation. In 1973 there were four ministries,<sup>7</sup> and each of the ministries also included a number of departments headed by secretaries or assistant secretaries. To keep up with the pace of economic development, the nation required complex and sophisticated systems with appropriate people to deliver the ambitious programs and activities. In the absence of local capacity, Indian advisors and personnel were deputed by the government of India to strengthen and manage the administrative system. While a significant contribution to the evolution of the Bhutanese public

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<sup>7</sup> The four ministries were: (i) Finance; (ii) Home Affairs; (iii) Trade, Commerce and Industry; and (iv) Foreign Affairs.

administrative system into its modern forms was made by India, Rose (1977) notes that the Indians faced problems in terms of not being able to speak the local language and not knowing anything about the culture, values and challenges of the country. Concerted efforts were being made towards building local capacity. A continuous stream of Bhutanese were educated in schools in India and in newly built schools in Bhutan, and pursued further education and technical training in India and other international countries.

In a typical Weberian bureaucratic manner, the civil service rules of 1972 attempted to 'depersonalize' appointment and promotion procedures and have the 'palace share responsibility' with other political institutions (Rose 1977, 218). In continuation of the policies of the first two kings, the monarchy ensured that the appointments were made from various social and ethnic backgrounds. According to Mathou (2000), this policy had provided a breed of qualified and experienced bureaucracy which was exposed to the Western education system. In order to minimize the influence of patronage and personal systems of appointments and promotions, rules were applied uniformly and strictly to all civil servants. A step-wise career progression chart based on a grading system within each of the cadres was also chalked out. Again this represented the TPA characteristics where the bureaucracy is represented by a hierarchical set of positions that also established clear command and control mechanisms. It must be said, at this point, that while the public administrative system evolved to match political and economical developments taking place in the country, the prevailing model of the Indian administrative system in the 1970s influenced the Bhutanese public administration system and processes. The main channel of influence was made through the appointments of Indian personnel on deputation from the government of India to help the Bhutanese government fill in the human resource gaps (Rathore 1974; Verma 1988; Mehrotra 1996). Over a period of time, the Bhutanese government sought to replace the Indians with Bhutanese nationals through systematic capacity building initiatives.

### **5.3.2 Introduction of the Cadre System**

To respond to the changing needs and to adapt to the diversified environment in the administrative system, the Royal Charter established the Royal Civil Service

Commission (RCSC) in 1982 as a central personnel administration system. The establishment of the RCSC and the set of policies that followed in Bhutan's public administration reinforced the characteristics of the TPA paradigms. To this effect, the RCSC's role was to build a personnel administration based on 'principles of experience, qualification and merit' (RCSC 1982, 3). It sought to promote efficiency and effectiveness in the civil service and to motivate and promote morale, loyalty and integrity among civil servants by ensuring uniformity of personnel actions in the civil service (RCSC 1982). The Royal Charter (RCSC 1982, 11) also kept provisions for the design of a system that would 'classify positions' and allow 'cadrization' of the civil service. In 1986 the Fourth King, Jigme Singye Wangchuck, commanded the introduction of a 'proper hierarchy of officers' and to institute a promotion system that would assess 'capability', 'results' and 'allegiance' (Nishimizu 2008, 56). Subsequently in 1990, the Cadre System was introduced to minimise disparities in the entry-level grades and career advancement opportunities. The Cadre System incorporated the TPA principle of impartiality and sought to provide parity in the entry level grades within the different professions. It grouped all positions in the civil service into seven cadres that represented a relatively homogenous group of occupations and positions: judiciary, scientific and technical, teaching, administrative, scientific and technical support, administrative support, and technicians and operators. It also created a rational grading system by categorizing all positions into 17 grades delineating a clear career progression path, and therefore facilitating fair promotions in various professions (refer to Table 7).

While the main features of the Cadre System will be deliberated upon in the following section where I map the characteristics of the Cadre System onto the ideal type framework from the earlier chapter, Table 7 presents the circular issued by the RCSC in 1999 which shows the seven different cadres against the 17 grades (where Grade 1 represented the senior-most civil servants), and the number of years one had to serve in a particular grade before being promoted to the next grade. It will also be pertinent to mention here that by the time the PCS was adopted in 2006, the number of ministries had increased to ten.<sup>8</sup>

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<sup>8</sup> The ten ministries were: (i) Home and Cultural Affairs; (ii) Agriculture; (iii) Trade and Industries; (iv) Foreign Affairs; (v) Labour and Human Resources; (vi) Works and Human Settlement; (vii) Information and Communications; (viii) Health; (ix) Education; and (x) Finance.

**Table 7 Seniority-based promotions under the Cadre System**

Grades Promotions From/To	Minimum Number of Years Required to Serve							
	AC	TC-1	TC-2	JC	SC	SSC	ASC	TOC
2 to 1	PV + 7			PV + 7	PV + 7			
3 to 2	PV + 7		8	PV + 7	PV + 7			
4 to 3	PV + 7		7	PV + 7	PV + 7			
5 to 4	6	7	6	6	6			
6 to 5	5	6	5	5	5			
7 to 6	4	6	4	4	4	8	8	
8 to 7	4	5	4	4	4	7	7	
9 to 8		5				6	6	
10 to 9		4				5	5	
11 to 10						5	5	7
12 to 11						5	5	6
13 to 12							5	5
14 to 13							4	4
15 to 14							4	4
16 to 15							4	4
17 to 16							4	4

PV-Post Vacancy; AC-Administrative Cadre; JC- Judiciary Cadre; SC- Scientific and Technical Cadre; ASC- Administrative Support Cadre; TC1-Teaching Cadre with PTTC and B.Ed qualification and Diploma; TC2-Teaching Cadre with PGCE qualification and Lecturers; SSC- Scientific and Technical Support Cadre; and TOC-Technician and Operators Cadre

Source: Circular Number RCSC/S-4/99/16 dated 31 December 1999, Royal Civil Service Commission.

## 5.4 The characteristics of the Bhutanese administrative system prior to 2006

This section maps the Bhutanese public administration system that was in existence prior to 2006 against the framework that showed the ideal types in public administration from the earlier chapter (refer to Table 6). This mapping is represented in Table 8 with the shaded cells indicating the presence of the feature in the Bhutanese public administration. At a glance, two key observations can be gleaned from Table 8. The first observation is that Bhutan's public administration from the years 1960s through to 2005 had traits mostly belonging to the traditional public administration (TPA) paradigm, which is indicated by the shaded cells in Table 8. The Cadre System which was



predominant from the 1990 to 2005 in the Bhutanese public administration was introduced in large parts to overcome weaknesses of the patronage system and also to establish a system in the first place. The Cadre System, as we briefly saw in the earlier section and as we shall see more of when we examine each of the characteristics, exhibits traits of the TPA paradigm.

A second observation is that Bhutan's public administration is layered and combines characteristics of more than one ideal type. This observation reverts to the discussions in the previous chapter on the ideal versus reality debate and that in reality public administration systems comprise of "paradigmnettes" that are hybrids with layering characteristics of one particularly type of paradigm over another. In Bhutan's case in the pre-2006 period the public administration was a paradigmnette that combined aspects of patronage system with TPA. Bhutan's case also presents an opportunity to discuss some of the reasons why such layering occurs in public administration. Perhaps in Bhutan's context it is best explained by its political context and as a society that is in transition. Prior to 2008 before the introduction of democracy, the political system in Bhutan was an absolute monarchy. The process to democracy was initiated in 1999 when the Fourth King, Jigme Singye Wangchuck, through a royal edict gave up his executive powers to the Coordination Committee of the Council of Ministers (CCM). Though this may be perceived as a form of revitalisation of the CCM prevalent in the 1970s, the CCM post-1998 exercised greater executive authority. The ministers were nominated for specific posts by the Fourth King from among the existing ministers, deputy ministers and senior government officials, and their candidature had to be approved or rejected by the parliament. They were voted in for a term of five years before facing a vote of confidence by a simple majority of the parliament. A prime minister was appointed from among the members of the CCM on a rotation basis for a period of one year. Before the introduction of the PCS in 2006, the public administration served a government that was both monarchical as well as one with certain features of democracy, thus leading to a situation where the public administration in Bhutan combined characteristics of the patronage system as well as the TPA. Such combinations were visible in the accountability of senior officials who were accountable to both the monarch as well as the politicians, and also in the guiding principle which was based both on loyalty to the monarch as well as the rules prescribed by the RCSC.

**Table 8 Fitting the Bhutanese administrative system pre-2006 within the ideal types of public administration**

	Patronage	Traditional Public Administration	New Public Management	Emerging Trends
<b>Characterisation</b>	Spoils System	<b>Bureaucratic</b>	Post-Bureaucratic, Competitive Government	Post-Competitive, Collaborative Governance
<b>Citizen-State Relationship</b>	Servant-Master	<b>Obedience</b>	Entitlement	Empowerment
<b>Accountability of Senior Officials</b>	<b>Ruler/Sovereign</b>	<b>Politicians</b>	Customers	Citizens and stakeholders
<b>Dominant Focus/ Guiding Principles</b>	<b>Loyalty</b>	<b>Rules</b>	Results	Relationships
<b>Key Attributes</b>	Personal relationships	<b>Impartiality</b>	Professionalism	Responsiveness
<b>Preferred System of Delivery</b>	Duress/ Forcibly	<b>Hierarchical departments or self-regulating profession</b>	Private sector or tightly defined arms-length public agency	Menu of alternatives selected pragmatically
<b>Performance Objectives</b>	Satisfying the needs of the ruler/ sovereign	<b>Managing inputs</b>	Managing inputs and outputs	Multiple objectives including service, outputs, satisfaction, outcomes
<b>Role of Public Participation</b>	<b>Provide services</b>	Limited to voting in elections	Limited—apart from customer satisfaction surveys	Crucial—multifaceted (customer, citizen, key stakeholder)

We shall examine each of the characteristics of the ideal type of public administration prior to 2006 in more detail.

#### **5.4.1 Characterisation**

Bhutan's public administration during the time of the Cadre System fitted the description of Weber's ideal type of bureaucracy. All civil servants in Bhutan were grouped into seven cadres which in turn were delineated into 17 grades providing a 'clear career line, hierarchy, limits, scopes and bounds for each profession, thereby providing prospects for rise within the respective cadre' (RCSC 1990, 13). Seniority, based on fulfilling the minimum number of years in a particular grade (refer to Table 7 for the specific number of years that was required for each grade), was one of the main considerations for promotion (RCSC 1990). Decision-making and reporting structures in the Bhutanese civil service were deemed to have been top-down and hierarchical (Ura 2004; Wangchuk 2004). In terms of recruitment policy, when the public administration was expanding during the 1970s, almost anyone who had completed high school and tertiary education was recruited directly into the civil service. The executives in the office were empowered to recruit personnel at the mid and lower rungs, and the senior positions were still appointed through the command of the king. With the Cadre System, entry into the civil service was centralised with the RCSC conducting examinations to select people into different levels of positions. Once selected, candidates were normally appointed on tenure unless the civil servant violated the prescribed rules and regulations, which is a key characteristic of TPA.

#### **5.4.2 Dominant focus/ guiding principles and key attributes**

A guiding principle in the Bhutanese civil service was (and continues to be) loyalty to serve the *Tsawa Sum* (the three main elements, which embodies the country, king and people). The Code of Conduct in the Civil Service Rules of 1990 (CSR 1990) mentions on numerous occasions the importance of service to the *Tsawa Sum*. For instance, clause 1 states that civil servants should strive to 'maintain the highest standards of integrity, truthfulness, fortitude, selflessness, loyalty and patriotism' and to 'maintain professional excellence in the service of *Tsawa Sum*', and clause 6 prescribes the abstinence of indulging in any activities that are prejudicial to the *Tsawa Sum* (RCSC 1990, 11). Another guiding principle, which strongly reflected the nature of TPA in this

setting, was the emphasis on following rules and regulations prescribed for the Bhutanese civil service. The first set of civil service rules drafted in 1972 marked a major shift in responsibility for the palace because previously it was the palace that possessed the ultimate authority for the appointment and promotion of all officials (Rose 1977). These rules set out to establish impartial and uniform service conditions for all agencies of the government and set standards for employment and promotions of the officials. A more comprehensive and extensive set of Civil Service Rules (CSR 1990) was adopted in 1990 with the introduction of the Cadre System. CSR 1990 specified the rules and regulations of the personnel functions of the civil service, such as transfers, promotions, training, remuneration, benefits and leave. There was also a section explicitly outlining the code of conduct that civil servants were expected to abide by in the performance of their duties. These stringent operational rules also strictly guided civil servants and procedures, and all civil servants were expected to abide by these regulations. In typical TPA fashion where the role of the Weberian bureaucracy is to maintain records and file, CSR 1990 had a separate chapter dedicated to office, files and records management. Its policy was to standardise the filing and documentation systems in order to 'expedite decision making' and 'maintain office secrecy' (RCSC 1990, 119).

#### **5.4.3 Citizen-state relationship, the role of public participation and the preferred system of delivery**

The characteristics of the Bhutanese civil service prior to 2006 pertaining to the citizen-state relationship and the role of public participation tended to belong to both the patronage system as well as TPA paradigm. The public were expected to be obedient to the state, which was perceived to be 'vanguardist' and 'paternalistic', and assumed that it knew what was best for the public (Wangchuk 2004, 847). Part of the reason for such an attitude can be attributed to the fact that the livelihood of the public depended on the public sector, and thus the public did not have any incentives to challenge the public order (Sinpeng 2007). The preferred system of delivery of public services in Bhutan was through the hierarchical government machinery, which comprised of numerous ministries and autonomous agencies that were divided into specific departments, divisions, sections and units. As a part of the patronage system, the role of public participation was limited to co-production of services. Up until the mid-1990s the public

were required to provide compulsory labour services (*gungda woola*) for developmental activities. Provision of compulsory labour services was replaced by the *zhapto lemi* system through the *Zhapto Lemi Chathrim* (Act) in 1996, which was identified as a means of ensuring people's participation in the form of a self-help system. Under the *zhapto lemi* system free labour services were to be provided by the people and the government would provide infrastructure materials and resources. For example, in the construction of schools in a village, the people would provide labour services and the government would provide the materials for the school's construction and resources to operate the school. Since the 1980s and 1990s there have been significant efforts to create institutional mechanisms to promote a grassroots participatory polity (Mathou 2000). And in a survey conducted by Rinzin et al. (2007), the authors observed that people were eager to be involved in the development process and that their level of awareness of decentralised governance was quite impressive. However, the people also felt that the decisions were still made by the central government and they did not have much of a say in making local decisions.

#### **5.4.4 Accountability of senior officials**

For mid-senior and junior level civil servants under the Cadre System, accountability rested with the executive of the agency. It was either the secretary or the minister that had authority on all human resource aspects of the civil servant in the agency. Those at the senior level, however, were accountable to the king. This authority was enforced through appointments and promotions. In a case of classic bureaucracy, promotions until grade 3, which is equivalent to the level of a director, were normally based on serving a certain number of years in a particular grade and promotions were almost automatic. For positions that were higher than grade 3, which usually included posts of a director general, joint secretary and secretary, approval had to be accorded by the king (RCSC 1990). Although the king had given up considerable powers to the CCM in 1998 with the devolution of executive powers of the monarchy, the reform itself did not translate to major changes or upheavals in the other political institutions and administrative system. The monarchy continued to remain at the centre of Bhutanese politics (Mathou 1999), and the CCM constantly sought the king's guidance until its eventual dissolution in 2008.

#### **5.4.5 Performance objectives**

Prior to the implementation of the Cadre System, there was a lack of a formal mechanism to measure and reward individual performance in the Bhutanese civil service. Performance in the past was rewarded with promotions based on patronage rather than rules. A performance evaluation system was instituted through the Cadre System to enable a fair career advancement system and to promote merit, talent, productivity and morale among civil servants (RCSC 1990, 79). The performance evaluation system reflected a TPA system that sought to create a clearer understanding of organisational goals and objectives and to identify performance targets and achievements. In line with the characteristics of TPA paradigm, the emphasis of performance objectives was on managing the inputs towards achieving the targets set. As we shall observe in the following section, when the performance management system of the Cadre System is contrasted with the PCS, the rating of the performance is based on the inputs. Factors such as attitude to work, initiative, decision-making ability, planning skills, knowledge of work, communication skills, supervisory ability, coordination capability and inter-personal relations are rated rather than the outputs.

#### **5.5 Conclusion**

This chapter provided a historical description of Bhutan's public administration from the seventeenth to the twentieth centuries focusing especially on the period from modernisation to modernity. The examination of each of the characteristics of Bhutan's public administration from 1960 to 2006 demonstrated that, initially, Bhutan's public administration had traits of the patronage system. However, from the 1960s efforts were made to incorporate characteristics of TPA with the introduction of the first set of civil service rules in 1972 and the Cadre System in 1990. The pace at which the changes were made from the 1960s to 2006 as a result of the political and socio-economic transformation of Bhutan resulted in a hybrid system layered with characteristics of the patronage system and the TPA. The layering of various characteristics of public administration in Bhutan's case has been influenced by the nature of its political and social institutions. This layering is pronounced and noticeable in the Bhutanese administrative system because of the quick transition of Bhutan's public administration from the patronage model to other paradigms, which has occurred mainly within the last

50 years. The limitations of the Cadre System also provide the basis for the introduction of the PCS. The next chapter provides an introduction of the PCS and discusses each of its components. It also discusses the changes in the characteristics of Bhutan's public administration on account of the implementation of the PCS and also because of the changes in political governance and other public sector reforms in Bhutan.

## **Chapter 6: The Position Classification System and Bhutan's public administration in a new era of governance**

### **6.1 Introduction**

The previous chapter presented an historical description of Bhutan's public administration. Through the analysis of the impacts of the political and socio-economic developments on Bhutan's civil service since the 1960s through to 2006, the chapter demonstrated that the public administration in Bhutan was a hybrid system with characteristics belonging predominantly to the TPA and the patronage system. This chapter discusses the changes in the characteristics of Bhutan's public administration since 2006 with the implementation of the PCS, changes in political governance and other public sector reforms in Bhutan. The PCS and other set of reforms introduced into the Bhutanese public administration have characteristics of NPM and post-NPM paradigms. In particular two components of the PCS, that is, the performance management system and the remuneration components of the PCS, represented within the ideal type typology a paradigm change from TPA to NPM. Using the ideal type typology, this chapter also demonstrates the existence of hybridity in public administration.

In the first section of this chapter I examine the PCS and discuss the introduction and formulation of the PCS. The second section, using Hall's (1993) description of the two types of policy making, that is, normal policy making and paradigm shift policy, describes the various components of the PCS. In the first two sections, I also use data and findings from the in-depth interviews with the Bhutanese civil servants to provide information about the concept, formulation and components of the PCS. The third section of this chapter examines some of the recent reforms, such as the introduction of democracy in Bhutan in 2008 and the introduction of performance compacts in 2010 to enhance performance in the government, which have an impact on the public administration of Bhutan. The section also examines how, together with the PCS, these changes have changed Bhutan's public administration system based on the ideal type typology.



## 6.2 The Position Classification System

In 1998, the Fourth King of Bhutan devolved his executive powers to a Coordination Committee of the Council of Ministers (CCM) that was elected by the parliament. In this climate of sweeping political changes, the CCM initiated a major restructuring exercise of the government in 1999, the main aim of which was to ensure good governance. A task force with members across the civil service was instituted to strengthen the structures and functions of the Bhutanese public administration with the overall objectives of achieving good governance, efficiency, accountability and transparency (RGOB 1999). In the document *Enhancing Good Governance: Promoting Efficiency, Transparency and Accountability for Gross National Happiness*, a report published as a fruition of the good governance exercise, the Prime Minister (RGOB 1999, i-ii) stated,

All the activities were aimed at fulfilling His Majesty's own priority: that of making the civil service responsive to the interests and needs of the people... [And] having focussed on the future we are building a strong foundation for enlightened governance in the 21<sup>st</sup> century. Effective and efficient civil service, dynamic private sector, active peoples' participation and a stable government are some of our hopes and aspirations for the new millennium.

The good governance reforms were a part of broader public sector reforms occurring in other parts of the world. Good governance was the goal of development policy in the mid-1990s and donor agencies moved beyond economic development to stress the importance of government institutions (Goldfinch et al. 2013). The Good Governance exercise as a policy initiative had major impacts on the public administrative system in Bhutan and brought to the fore issues faced by traditional public administration such as bureaucratisation and politics-administration relationship. The exercise recommended that a secretary should be appointed in each ministry, and their main role should be to ensure continuity in policies and programs since the ministers were elected for a certain period. The good governance exercise also recommended a series of administrative restructuring strategies, and which were implemented. For instance, the ministries had to do away with the other layers within the ministries such as 'circle' and 'wings' (RGOB 1999, 16). A generic structure for a ministry was proposed, and each ministry

had to be divided into departments and each department into divisions. The ministries were also required to set up an administration and finance division and a policy and planning division.

A major recommendation of the good governance exercise was the implementation of the PCS. Just as the intention of a new paradigm was to address some of the main weaknesses of the earlier paradigm and also to provide solutions for new problems that emerged, the PCS also had two main purposes. The first purpose was to address some of the inherent weaknesses of the Cadre System. The Cadre System was introduced to organise the civil service and to set up a professional group of civil servants. The administrative system prior to the Cadre was *ad hoc* and agencies had authority to recruit and promote people within their organisation. This system was subject to misuse and there were instances where people were granted three to four promotions at a time (R5). Over the years, however, the Cadre System proved to have its limitations. Perhaps the greatest disadvantage of the cadre system was that the positions did not have comprehensive descriptions of the expected roles and responsibilities, thereby leading to a lack of clarity in meting out personnel and human resource actions. As a senior manager in the Bhutanese civil service pointed out, the major limitation imposed by the lack of position descriptions was a lack of 'clarity in terms of complexity of the job [and] knowledge that you require to do that sort of a job' (R17). Personalities of individual managers made a difference when it came to assigning of responsibilities to the staff, and therefore there was an air of uncertainty and a lack of uniformity. An additional disadvantage of the Cadre System brought on by inadequate job descriptions was ineffective planning for the purposes of training and development in the civil service (RCSC 2005b). The Cadre System also did not facilitate a fair and equitable change in the cadres. The civil servants in the Scientific Cadre would be seven to eight years ahead of their colleagues in the Administrative Cadre once they reached grade 3, which was considered equivalent to the post of a director. Similarly the civil servants in the Administrative Support Cadre could not progress to grade 5 even if they were able to enhance their performance as well as their qualifications.<sup>9</sup>

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<sup>9</sup> It must, however, be noted that the differentiated entry grades of the Cadre System was to attract doctors, engineers and other professionals.

The second purpose of the PCS was to solve new problems that the Cadre System was unable to address. The good governance document reported that the Cadre System had served its purpose of building professionalism in the system and that it was leading to discrepancies in meting out human resource actions and causing stagnation in the cadres (RGOB 1999). The document also pointed out that the “job” rather than the “grade” should be linked to financial incentives, and that the promotion system needed to be revised to reinforce merit and make accurate assessments of the performance of civil servants. The absence of job descriptions also made it challenging to identify the competencies and skills required of a certain position. This in turn affected the identification of performance indicators and targets that an individual had to achieve, and thereby rendered the performance evaluation system ineffective. Promotions were awarded upon completion of a minimum years of service required in a certain position. Against this setting, the RCSC Secretariat was given the mandate to work on a system based on position classification to replace the Cadre System. Work on the PCS commenced in the year 2000. Over the course of the next five years, extensive effort went towards the formulation and conceptualisation of the PCS.

### **6.3 Formulation of the PCS**

This section examines the formulation of the PCS from two main aspects: firstly, what were the ideal types that the PCS sought to achieve? And, secondly what were some of the modalities through which these ideal types were incorporated as PCS? The ideal type that the PCS initially sought to achieve was to improve on the bureaucratic nature of Bhutan’s public administration through a comprehensive classification system with specific job descriptions for each position. Although work on the PCS commenced on a major scale on the recommendations of the Good Governance exercise, the basis for the PCS reforms as a classification system, were laid out much earlier in the Royal Charter of the RCSC of 1982. The Royal Charter (1982, 9) specified the development of a ‘civil services classification and grading’ system. Subsequently in 1989, the Cadre System was introduced mainly to minimize disparities of the patronage system prevalent where authority to determine entry-level grades and career advancement opportunities rested with the senior management in agencies. In terms of the modality of how the job description and classification system was introduced, following the introduction of the Cadre System, the services of an expert hired by the United Nations Development

Program (UNDP), who was from the United States of America, was utilised to start work on formalising jobs in the early part of the 1990s. A committee was formed with representatives from the RCSC and the Royal Institute of Management<sup>10</sup> to work with the agencies in describing the responsibilities of the positions in their respective organisations. Although the position descriptions were collected by the RCSC, an official who was involved during this early period of the job description exercise noted that the job descriptions were not utilised for policy purposes (R14). However, an important output that was to have an impact on the PCS was the development of the factor evaluation system based on the US General Public Administration's factor evaluation system. As a follow-up to the work done by the consultant, three officials from the RCSC travelled to the US in 1995 for about a month to meet with the consultant and to visit relevant agencies. While the officials were in the US they also met with officials in the Office of Personnel Management and attended some workshops on designing position descriptions and testing the factor evaluation system. An official who was a part of this delegation pointed out that when they returned from the US study visit, a new secretary had been appointed to the RCSC who did not want to initiate any new reforms at that stage and was more focused on consolidating the Cadre System that was initiated in 1990 (R17). Furthermore, as a senior manager who served in the RCSC during those years also stated, the then RCSC Commission also wanted an assessment to be conducted of the issues of the Cadre System before moving on to the PCS (R3).

The momentum to work on the position descriptions was again picked up through the recommendations of the Good Governance exercise in 1999. Work on formulating the PCS started towards the second half of the year 2000 and continued until December 2005. In the formulation of the PCS, the actor that played an influential role was the RCSC Secretariat, which was identified as the agency responsible for coordinating and implementing the entire reform initiative. The RCSC was responsible for setting up a team within its Secretariat and a wider network of committees to work on various aspects of PCS with representatives based on individual capacities from the civil service. The ministries and other autonomous agencies were instructed to identify focal

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<sup>10</sup> The Royal Institute of Management is the only management institute in the country providing management courses at the postgraduate level. It provides training for new inductees into the Bhutanese civil service. The Institute also conducts executive training programs and provides their expertise in public policy related issues for the government. Together with the RCSC, the Royal Institute of Management was the key focal point during the formulation of the PCS.

persons as representatives of their agencies for the PCS. In the role of a coordinator, the RCSC Secretariat was responsible for securing and managing funds from international donors specifically for the PCS formulation—first through a UNDP capacity development project and later through the DANIDA (Danish Government)<sup>11</sup> project on good governance themes. The RCSC was also responsible for recruiting and coordinating international consultants hired through the donor-assisted projects and international volunteers through the Voluntary Services Abroad (New Zealand) program. Considerable influence from international advisors and consultants was evident during the formulation of the PCS. Officials involved in the PCS conceptualisation and formulation had academic backgrounds from institutes in the US, Australia, Canada and the UK. Officials involved in the formulation of the PCS pointed out that study visits were undertaken to look at systems in other countries such as Singapore, Australia, New Zealand, Philippines and Thailand (R2; R3; R11; R17; R21).

From a single purpose of achieving the ideal type of classifying and defining job descriptions, the PCS in the years 2003 and 2004 gained momentum and there was a realisation that comprehensive reforms in the civil service were required. It was with this realisation that the CCM directed the RCSC to take a holistic approach to the reform. In other words, the PCS sought to achieve numerous ideal types that belonged to not only TPA paradigm but also the NPM paradigm. As an official who was involved in the formulation of the PCS noted, it then took the shape of a larger reform than ‘just classifying positions’ (R11), and to achieve this bigger objective five sub-committees to the PCS were formed: the Performance Management Committee responsible for designing the performance management policies and mechanisms; the Job Description Committee responsible for compiling, refining and adjusting the positions of the PCS position directory; the Recruitment and Selection Committee responsible for designing policies, regulations and mechanisms for recruitment and promotions in the civil service; the Remuneration and Benefits Committee responsible for designing and recommending policies pertaining to salary, performance benefits and other remunerations; and the HRD Committee responsible for designing training and development policies and activities. Later on two more committees were added: the

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<sup>11</sup> The Danish Government is one of the main partners who support Bhutan’s good governance initiatives. As a part of their funding program in Bhutan, the RCSC received financial and technical support for the formulation of the PCS.

Rules Committee responsible for integrating the PCS into the Bhutan Civil Service Rules and Regulations; and the Media Committee responsible for coordinating all media-related issues of the PCS reform initiative. Members to these committees were from mixed backgrounds and fields depending on the focus of the committees. All committees were chaired by a Commissioner from the RCSC and the division heads of the RCSC Secretariat were the member-secretaries to the committees. The findings and recommendations of the committees were integrated to produce the final PCS Policy Document that was approved by the CCM for implementation.

Constant actors in the formulation of the PCS were the international consultants and the advisors. Right from its conceptualisation in the early 1990s they played an important role in the way the PCS was shaped and framed to seeing it through its implementation. An official involved in the PCS acknowledged the contributions made by each of the consultants and advisors: each of them 'gave perspective, different context and raised flags in the proposal' (R 11). In the year 2000 when the PCS was reinvigorated, the UNDP provided initial financial resources and expertise. A consultant with some public sector experience from the Philippines was recruited to develop a framework for the PCS and to identify the broad occupational groups with a directory of positions. An Indian, who was an ex-employee of the RCSC, was also recruited as a local consultant to assist the international consultant during the initial stages. The two consultants worked for a period of two to three years on the classification of positions and the job descriptions. Around the same time, a consultancy firm from India was hired to work on a Human Resource Officer's Manual. The manual was developed after a consultative training program with focal persons of the PCS as participants sought to incorporate aspects of the PCS. Then in 2003, the RCSC requested through the Volunteer Service Abroad (VSA) of New Zealand for expertise to help in the formulation of the PCS. An official involved in coordinating the volunteer program in Bhutan's civil service stated that the VSA had a visible presence in Bhutan for more than a decade and the option to have volunteers from VSA seemed appealing because they came almost free and there were resource constraints (R21). In Bhutan all volunteers are coordinated with the RCSC. Generally appointed for a period of a year, there were two successive advisors from VSA who helped in the PCS.<sup>12</sup> The official coordinating the volunteer program

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<sup>12</sup> A third volunteer was recruited by the RCSC in 2006 but he did not play a significant role in the PCS *per se*.

stated that although neither of the advisors had specific expertise in the area of PCS they were 'able to understand the situation and local needs' (R21). The first VSA advisor had worked in the public sector in New Zealand and he contributed significantly to the PCS by harmonizing the various committees of the PCS with the overall objective of the PCS. The second volunteer had experience in the private and corporate sector and her contributions were in operationalizing the PCS through the development of the PCS Manual. An official involved in the formulation of the PCS acknowledged that the introduction of the concept of an open competition for positions as a main component of the PCS was attributable to the international volunteer (R17). The international volunteer also played an instrumental role in providing training to the HR Officers in the agencies on the Performance Management System and worked on the PCS Manual. In 2004 there was also a technical advisor from the Philippines funded under the auspices of the Colombo Plan Staff College for Technician Education based in Manila, Philippines. The technical advisor conducted training to provide capacity building training for senior managers on the performance appraisal system. Officials involved in the training stated that as an outcome of the training program three frameworks for performance appraisal system were developed which were submitted to the RCSC, and which were later adopted as a part of the Performance Management System component of the PCS (R3; R11). Officials involved in the PCS conceptualisation and formulation had academic backgrounds from institutes in the US, Australia, Canada and the UK.

Based on the work done by the PCS sub-committees, international advisors/consultants and the PCS focal persons, recommendations were submitted through the RCSC Secretariat to the Commission. Between the years 2000 and 2005, numerous submissions were made to the Commission, whose membership changed in 2003. The earlier membership included cabinet ministers (who were also members of the CCM) and a few other senior officials based on the positions they held. In 2003, the membership did not include any of the ministers but senior civil servants based on their individual capacity and not based on their positions. Beyond these two executive organs, the PCS also went through the Committee of Secretaries (a committee that included all secretaries to the ministries including the secretaries of the RCSC and the Cabinet Secretariat). After numerous reviews by the Commissioners of the RCSC, and towards the end of 2005 a comprehensive presentation was made to the CCM which was chaired by the Prime Minister. In 2005, the "Good Governance Plus" exercise was

conducted. The objectives of this exercise were to follow through on the recommendations of the good governance exercise of 1999 and for the system to introspect and adapt to the impending political changes in 2008. Some of the key points in the report of the Good Governance Plus exercise (RGOB 2005, 28), pertaining to the civil service, were the calling for a 'new Public Service' that exists to serve the public and nurture a GNH state, and the introduction of the PCS to operationalise the 'New Public Service'. The Good Governance Plus exercise also set the foundations for the government to conduct periodic organisational development exercises to enhance productivity and improve delivery of services. The PCS was approved to be implemented at the end of December 2005, and claimed to be the 'New Civil Service Order' that is dynamic and responsive to the needs of the people (RCSC 2005a, 5). It also claimed to be 'an internationally recognised system' based on performance and professionalism in the civil service (RCSC 2005a, 8). The PCS represented a major tranche of public sector reforms, particularly in the areas of public sector performance evaluation and management and in the recruitment, selection and promotion systems.

#### **6.4 Components of the PCS**

In official documents, the PCS was described as a 'process of grouping together positions that are sufficiently alike with respect to duties and responsibilities so they can be treated the same way for the purposes of all human resource actions' (RCSC 2005b, 2). The PCS sought to promote 'good governance' by 'enhancing accountability, efficiency and professionalism in the civil service by linking individual performance to organisational goals and objectives' (RCSC 2005a, 2). While the overall objective of the PCS was to promote good governance, the specific objectives of the PCS as stated in the Position Classification System Policy Document (RCSC 2005a) were to: (i) enhance professionalism by placing the right person for the right position by matching qualification to its requirement; (ii) encourage a merit-based system by depending less on seniority as a criteria and linking individual performance to promotions and rewards; (iii) pursue efficiency through the effective use of financial and human resources; (iv) establish a fair and equal system through the principle of equal pay for equal value of work; and finally (v) pursue accountability by outlining roles and responsibilities and making people accountable for their actions.



This section draws on Hall's (1993) concept of paradigms in public policy making to explain the components of the PCS. As was explained in Chapter Three, there are three orders of change: the first and second order changes are identified as "normal policy making" and third order change as "paradigm shift" policy. As explained in Chapter Three, "normal policy making" involves incremental changes that do not affect the terms of a policy paradigm, and a "paradigm shift" policy marks a radical change normally involving a change from one paradigm to another. This section categorises the components of PCS reforms within these two types of policy making. In the category of normal policy making reforms are: (i) classification of position and occupational groups, (ii) recruitment, selection and promotion system, and (iii) human resource development. In the category of paradigm shift reforms are: (i) performance management system and (ii) remuneration and benefits.

Table 9 shows the objectives of the PCS, which reflect the ideals that the PCS sought to achieve through the components of the PCS. The objectives of the PCS were to enhance professionalism, encourage a merit-based system, pursue efficiency, establish a fair and equal system, and to pursue accountability. To achieve these objectives, the PCS put in place the classification and occupational groups component, recruitment, selection and promotion component, human resource development component, performance management component and the remuneration and benefit component. Each of these components have been categorised by the characteristics of the paradigm or model of public administration that they fit within and by the typology of policy making.

**Table 9 Objectives and aspects of the PCS**

Objectives of the PCS	Main Components of the PCS	Paradigm/ Model of Public Administration	Type of Policy
Enhance professionalism by placing right person for right position by matching qualification to its requirement	Recruitment, Selection and Promotion and Human Resource Development	TPA	Normal policy making
Encourage merit-based system by depending less on	Performance Management System	NPM	Paradigm-shift policy

seniority as a criteria and linking individual performance to promotion and rewards			
Pursue efficiency through the effective use of financial and human resource	Remuneration and Benefit	NPM	Paradigm-shift policy
Establish a fair and equal system through the principle of equal pay for equal value of work	Classification of Positions and Occupational Groups	TPA	Normal policy making
Pursue accountability by outlining roles and responsibilities and making people accountable for their actions	Classification of Positions and Occupational Groups and Recruitment Selection and Promotion	TPA	Normal policy making

#### 6.4.1 Normal policy making

##### *Classification of positions and occupational groups*

One of the limitations of the Cadre System was that with civil servants acquiring new qualifications, it became increasingly challenging to place them within the seven cadres. Qualifications such as environmental management, agriculture economics, media studies, and journalism belonged to both the scientific as well as administrative cadres. The PCS through the introduction of major occupational groups expanded the number of occupational groupings to 19 (refer to Table 10 for the list of major occupational groups). These occupational groups have approximately 70 sub-groups and over 500 specific positions (RCSC 2005a).

Under the PCS each of these positions had a job description and was assigned a position level based on factors such as knowledge (qualification and experience), complexity of work, and scope and effect of work amongst others. In the Cadre System, while each position was assigned to a particular grade, the positions did not have a specific job

description. To address this problem, the PCS grouped together positions that were sufficiently alike with respect to duties and responsibilities so that they could be classified and treated uniformly for all human resource actions (RCSC 2005a). It was also expected that these job descriptions and specific requirements would aid in the selection of the “right person for the right job” and serve as an effective tool in determining equitable compensation. Similarly, the PCS would be based on the principle of “equal pay for equal value of work” where each position would be evaluated using a standard job evaluation process.

**Table 10 Major occupational groups**

1	Agricultural and Animal Husbandry Services Group
2	Architectural and Engineering Services Group
3	Arts, Culture and Literary Services Group
4	Education and Training Services Group
5	Executive Services Group
6	Finance and Audit Services Group
7	Foreign Services Group
8	Forestry and Environment Protection Services Group
9	General Administration and Support Services Group
10	Human Resource Development and Management Services Group
11	Information Communication and Technology Services Group
12	Laboratory and Technical Services Group
13	Legal and Judicial Services Group
14	Library, Archives and Museum Services Group
15	Medical Services Group
16	Planning and Research Services Group
17	Sports and Youth Services Group
18	Trade, Industry and Tourism Services Group
19	Transportation and Aviation Services Group

Each of the positions classified under the PCS was divided into four broad position categories: executives/specialists (EX/ES), professional/management (P), supervisory/support (S) and operations (O). The EX/ES category were those civil servants who had professional mastery of either management or technical expertise over

all other categories. To be in the ES category a civil servant required a minimum of a Master's degree and for the EX category a minimum of Bachelor's degree was required. The P category included those positions that focused primarily on determining tactical level issues and decisions with appropriate consideration of the EX/ES, and implementing the decisions determined by the EX/ES category of civil servants. The P category civil servants also supervised and conducted performance appraisals of those civil servants in the S and O categories. The scope of work of the P category goes beyond day-to-day activities and provides input to major policy issues and decisions (RCSC 2005a). The S category positions are responsible for scheduling and assigning of daily work and implements day-to-day decisions. Civil servants in this category may include public contact, responding to enquiries and routing them to appropriate people. The O category of positions include those whose duties are routine and repetitive. They also include public contact and also include other routine tasks such as typing and use of computers and other office equipment to input information and prepare reports.

The classification of positions and occupational grouping component of the PCS was an incremental change to the Cadre System. As an official responsible in the formulation of the PCS commented:

The PCS is like the Cadre System...Under the Cadre System, there were 17 levels, and even in the present system there are 17 levels. So it is only different name (R2).

The PCS continued with the bureaucratic and hierarchical nature of the Cadre System. In fact, the civil service was made more comprehensive by increasing the seven cadres under the Cadre System to 19 major occupational groups within four broad position categories under the PCS. Each of the four position categories have their own hierarchical levels with clear career pathways. To jump from one category to another a civil servant had to fulfil the minimum qualification requirement. For instance, to move from the professional/management into the specialist category, a civil servant had to possess at the minimum a master's degree certificate. However, to join into the professional/management category, one would have to sit for the recruitment examinations, which is a key feature of bureaucracy, conducted by the RCSC, which was the same as the Cadre System.

## *Recruitment, Selection and Promotion*

Another important component of the PCS was the recruitment, selection and promotion system. Under this component, the PCS sought to appoint the right person for the right job through a competitive, transparent and fair selection system. It also sought to attract and retain qualified and competent civil servants, and provide equal opportunities for selection to a vacant position in the civil service. Some of the key features of the recruitment, selection and promotion component of the PCS were the development of recruitment and planning process, rural posting criteria and a provision for a fast-track promotion system.

In the appointment and promotion of senior officials, the PCS differed significantly from the Cadre System in that the final approval did not have to go to the King. The commissioners of the RCSC had the final authority to appoint and promote senior officials in the Bhutanese civil service. The PCS also facilitated decentralisation of authority from the RCSC Secretariat to the agencies to appoint new recruits in the operations category, with provisions to allow further authority to appoint new recruits in the supervisory and support category (RCSC 2005a). Authority to promote existing civil servants to fill vacant positions within the operations, supervisory and support and some positions in the professional/management category was also devolved from the RCSC Secretariat to the agencies. In the Cadre System, authority to appoint and promote were vested with the RCSC Secretariat only. Another key feature of the recruitment, selection and promotion component of the PCS was that it also delegated the authority to recruit, select and appoint new employees to the civil service into the O and S categories to the agencies. And for vacant positions in the P category, the authority to appoint in-service officials was delegated to the agencies, except for P1 and P2 positions. Previously the entire authority to recruit, select and appoint was vested with the RCSC Secretariat.

The recruitment, selection and promotion system was only an incremental change to the Cadre System. It did not involve a paradigm change as the recruitment process was still based on the TPA paradigm where appointments were made through a centralised system that involved sitting for a common recruitment examination. Appointments were still tenure-based, and not on a contract basis such as the appointment system under the NPM paradigm.

## *Human Resource Development*

The human resource development component sought to invest in human capital to meet the demands of Bhutan's civil service (RCSC 2005). The HRD strategy ensured that training and development activities were tied to the provision of the right skills, knowledge and qualification of the civil servants. The HRD component of the PCS also sought to provide opportunities to upgrade the qualifications of the civil servants and enhance their capacities for career progression. Some of the key features are providing continuing education facilities, promoting in-country training institutes, providing a HRD funding scheme and establishing good monitoring and evaluation systems.

The PCS also sought to legitimize ongoing training and development reforms, such as the delegation of training that was of duration shorter than nine months to the agencies; the human resource development component sought to provide civil servants the opportunity to upgrade their qualifications so that they were able to enhance their careers.

### **6.4.2 Paradigm-shift reforms**

#### *Performance Management*

The performance management system formed an integral part of the PCS. Its objectives were to promote a civil service in Bhutan based on 'principles of transparency, efficiency, fairness, accountability, meritocracy and professionalism' (RCSC 2005a, 16). It was identified as a critical factor to determine various human resource actions such as appointments, transfers, promotion and remunerations. Performance appraisal under the performance management system sought to foster performance through continuous and objective performance planning, monitoring, reviewing and recognition, and by aligning employee performance to the organisational goals (RCSC 2005b). It was expected that the performance management system would help the employee and managers better understand goals and targets, and also provide an objective basis for the comparison and measuring of achievements against the goals.

The performance management system of the PCS represented a paradigm shift from a TPA based performance objective to an NPM one. It transformed the performance

objective of Bhutan's public administration from only managing inputs to managing both inputs and outputs. As one of the officials involved in the formulation stated:

PCS is supposed to be based on pay for performance. Unless we came up with a good performance system the whole system is going to be defeated. So that is why performance committee was given lot of importance. And in 2006, the new performance appraisal came in where it focuses more on the output. And the whole way of measuring the performance earlier if we look at the first cadre system and evaluation we had so many factors but these are factors not really completely based on output. For example, general trait like communication skills, qualification, expertise, planning ability but not tied to the specific position. Then in 2006 at least it became output based (R3).

Under the Cadre System the main emphasis of the performance management was on attributes such as: attitude to work, initiative, decision-making ability, planning skills, knowledge of work, communication skills, supervisory ability, coordination capability and inter-personal relationships (RCSC 1990). With the PCS, the performance management system focuses on the outputs. The performance management system of PCS has two forms for each employee to fill, the work planning and review form and the summative review form. The work planning and review form is to be used by the employee and the supervisor to determine six-monthly targets and identify six relevant core competencies that are required to achieve those targets. These targets are to be prepared every six months based on the organisational strategy and annual work plans. At the end of the six months, the manager and employee review the performance outputs and record the remarks regarding each of the expected performance outputs (RCSC 2005b). The summative review forms are to be used to evaluate the performance of the employee by reviewing the performance factors and the core competencies. The performance factors are to be rated in relation to the performance outputs as outlined in the work planning and review forms by assigning a score of 1 (improvement needed), 2 (good), 3 (very good) and 4 (outstanding). The core competencies are also rated on a scale of 1 to 4. In the final rating, the average score of the performance factor is given a 60% weighting and the average score of the core competencies is given a 40% weighting.

## *Remuneration and benefits*

Another component of the PCS that represented a paradigm shift was the remuneration and benefits scheme. In addition to the performance management system, the remuneration and benefits component of the PCS also signalled an important transformation from a public administration with TPA characteristics to one with NPM characteristics. The main objective of this component was to reward civil servants for their performance through strategies designed to attract, retain and motivate them. It was agreed that this would align with the key doctrines of NPM where resource allocation and rewards are linked to performance and where the stress is on discipline and parsimony in the use of resources through cost cutting measures. Some of the key features of the remuneration and benefits component of the PCS that sought to reward performance and motivate civil servants to perform better were strategies such as “performance bonus” which was to be paid annually to those civil servants based on their performance. The performance bonus is one of the key features of NPM’s performance pay.

Other forms of remuneration were also recommended to attract civil servants to positions that were either difficult to fill (“scarcity allowance”), or located in remote areas (“isolation allowance”). Allowances were also recommended for situations where an official was acting on behalf of a position with a vacant post (“officiating allowance”), and if civil servants required to undertake overtime work (“overtime payments”). Another key feature of the remuneration and benefits component was the right-sizing of the government which was to be undertaken on a continuous basis through an early retirement scheme. Under this scheme, it was proposed that those civil servants who had five years or less to retire, would be provided additional financial benefits if they chose to retire. And there was also provision for a special early retirement scheme under which those who did not perform as expected could be asked to resign.

## **6.5 Approval and Implementation of the PCS**

A variety of actors and institutions influence the decision-making process in the field of public administration. The actors range from institutions that possess legal authority,



such as legislative committees, executive cabinet, judiciary courts, state and local governments to individuals and other institutions such as interest groups, public, contractors and the media (Knott and Hammond 2003). In making these decisions, these actors and institutions have to make certain choices. According to Kooiman and Jentoft (2009: 827–8) choices can be either ‘easy’ or ‘moderate’ or ‘hard’, which they argue is governed by some value. So *easy* choices are when the values are comparable, commensurable and compatible; *moderate* choices are a mix of comparable and commensurable values; and *hard* choices are when values are incomparable, incommensurable and incompatible. Thus when determining how the approval for the PCS was accorded, it will help to assess the actors and the processes in the decision-making. The other consideration will be to examine the choices that were made by the decision-makers in arriving at the final version of the PCS.

Based on the works done by the PCS Sub-Committees, International Advisors/Consultants and the PCS Focal Persons, the recommendations were submitted through the RCSC Secretariat to the Commission. Between the years 2000 through 2005, numerous submissions were made to the Commission, whose membership changed in 2003. The earlier membership included the Cabinet Ministers (who were also members of the CCM) and a few other senior officials based on the positions they held. In 2003, the membership did not include any of the ministers but senior civil servants based on their individual capacity and not based on their positions. Beyond these two executive organs, the PCS also went through the Committee of Secretaries (a committee which included all secretaries to the ministries including the secretaries of the RCSC and the Cabinet Secretariat). After numerous reviews by the Commissioners of the RCSC, and towards the end of 2005 a comprehensive presentation was made to the CCM, which was chaired by the Prime Minister. Each of the recommendations of the PCS Sub-Committees was presented, and the CCM approved the PCS for implementation in January 2006.

Of the five components of the PCS that were submitted to the CCM, four of them were approved: the Classification of Position and Occupational Groups; Performance Management System; Recruitment, Selection and Promotion System; and Human Resource Development. There were strong reservations about the component on the Remuneration and Benefits aspect of the PCS, and which was eventually dropped from

the components of the PCS. This was a major set-back to the PCS as it contained an important aspect of tying increases in salary to the performance of an individual. Whether the components of the PCS were either approved or rejected based on them being *easy*, *moderate* or *hard* choices were not clear at this stage to all the actors involved in the decision-making process. It is only in a retrospective study which will be discussed in the sections following this that some aspects of the reform were easy and moderate choices whereas some of them were hard choices. Whether or not this was considered an easy or hard choice, the Ministry of Finance vetoed the Remuneration and Benefits system based on potential increases in the cost of the civil service.

There were various strategies put in place to manage the introduction and implementation of the PCS. One of the first strategies put in place was the institution of HR sections/divisions in the agencies. The importance of HR towards making the PCS work was acknowledged and a group of HR officers were created. As an official involved in the formulation and coordination of the PCS pointed out, the strategy of the RCSC was to first build the capacity of the HR Officers in the agencies (R1). Another official involved in the formulation of the PCS also noted that initially there were some reservations to the creation of the HR Officers by the agencies as they were perceived by some to be an 'extension of the RCSC into the agencies' (R17). The creation of divisions within the agencies to specifically manage all HR related issues, however, facilitated in decentralizing numerous HR functions from the RCSC to the agencies. Such decentralisation of functions from the RCSC to the agencies mirrored broader NPM devolution tendencies. The HR Divisions in each agency provided technical support to an HR Committee which normally comprised the Secretary of the ministry or the Head of an autonomous agency, and the Directors of the departments within the agency. In some cases the Chiefs of the Policy and Planning Division and other divisions were also included. Prior to the PCS the agencies had the authority to only recruit the two lowest positions in the system, that is, the drivers and messengers, into the agencies. With the PCS, numerous HR functions were delegated to the agencies. For example, in the area of recruitment, agencies were able to recruit to the supervisory level (S) provided there were vacancies. In the area of promotions, authority to grant all promotions rested only with the RCSC. The PCS delegated promotions to first to P3 and then to P1 levels for all regular promotions.

A comprehensive job-mapping exercise was undertaken immediately upon the approval of the PCS to transit people from the Cadre System to the PCS. For successful implementation of the PCS, it was important that the transition from the Cadre System to the new system was smooth. Towards this end, the Job Mapping Exercise was one of the key change management strategies that was adopted. There were some discussions that took place as to whether or not a pilot of the PCS should be tried in an agency; but this did not materialise. The Job Mapping Exercise was initiated immediately upon the approval of the PCS, and the Human Resource Management Division of the RCSC Secretariat was given the mandate to carry out this exercise. An official from the RCSC responsible for overseeing the entire exercise commented that, 'Job mapping was one of the major challenges for the RCSC and it was a staggered process that took almost two years to complete' (R7). The premise for the entire exercise, as an official involved in the formulation of the PCS noted, was 'not to rock the boat' an instruction that came from the highest levels of decision-makers (R1). The strategy adopted in the job-mapping was two-fold. On one hand a majority of the civil servants were assigned their positions and the appropriate position levels based on their grades in the Cadre System. On the other hand, some people were assigned their position levels based on their responsibilities. To avoid discrepancy between the two strategies, those in the latter category were assigned position sub-levels identified by A, B, C, D, E and F. These sub-levels were to be collapsed once people moved up within the sub-levels. If such strategies were not adopted and if the PCS principle of equal pay for equal value of work had to be honoured, an official involved with the reforms pointed out that 'about 7000 people would have benefited overnight', which would have been 'real rocking of the boat' (R1).

Finally there have been constant adaptations and modifications to the PCS through a range of initiatives. A year after the implementation of the PCS, a Fine-Tuning Exercise to the PCS was conducted by the RCSC Secretariat. In the two-day workshop various representatives of the agencies participated to determine some of the key issues with the implementation of the PCS, such as stagnation and coordination issues. There were numerous recommendations made during this exercise, which were incorporated into the main PCS policy. For example, as an official noted, one such policy change was in making exceptions for qualification requirements for some of the major occupational groups (R1).

## 6.6 Democracy and recent governance reforms in Bhutan

A major governance reform to influence the public administrative system of Bhutan was the first democratic elections in March 2008. Bhutan's successful transition to democracy, which is largely attributable to the leadership of the Fourth King, Jigme Singye Wangchuck (Turner et al. 2011), put at the helm of the government Bhutan's first democratically elected government. The introduction of democracy in Bhutan changed the nature of its public administration, particularly the role of public participation and the citizen-state relationship. From the role of providing services as a part of the patronage system the new era of governance has transformed the role of the public to taking part in elections, which is a feature of TPA. From within a citizen-state relationship where the public were required to be obedient parties, a trait of the TPA paradigm, there is likely to be a change in the Bhutanese public administration when the public begin to feel empowered with democracy. The Constitution of Bhutan also seeks to draw a clear line between politics and public administration in the newly formed democratic state of Bhutan. Article 26 prescribes an independent and apolitical civil service. The separate relationship is also ensured through the appointment of secretaries, who are now considered the senior-most civil servants, who are first nominated by the RCSC and then through the recommendation of the prime minister are appointed by the King.

Following the adoption of PCS, the government initiated the Organisational Development (OD) exercise in 2007. The main purpose of the OD exercise according to official documentation was to ensure that the civil service was able to deliver services efficiently and in a way that would satisfy the needs of the people (Dorji and Schreven 2007). The exercise involved all agencies of the government and set out to review their mandates and capacity to improve their performance and service delivery. As one of the final outcomes of the OD exercise the agencies were supposed to draw up their organisational structure with their staffing numbers and plans. However, following the OD exercise, the government did not approve the recommendations. There were various reasons for the failure of the OD report not to be approved, and O'Flynn and Blackman (2009) point out a few plausible explanations. Doubts remained over the intentions of the OD exercise as to whether it was intended to bring about changes in the delivery of services or whether it was a strategy to reduce the size of the civil service. Despite the

OD final report not getting approval for implementation, the exercise recognised the importance of improving service delivery. The OD exercise got the civil service to start thinking of the public as customers who have a say in the way services are provided rather than as just silent recipients of services that the government provided. Agencies, as a requirement of the OD, were required to undertake customer satisfaction surveys and use it as an input while determining their overall mission and values (Dorji and Schreven 2007). Another recent initiative taken by the government to improve service delivery is the G2C (Government to Citizen) project to provide services to citizens in a quick and efficient manner. This is another measure to introduce NPM-related reforms to improve service delivery. The project, which was started in 2010, comprises a team of officials from various agencies with the mandates to provide citizens access to services within a certain time limit, and reduce turn-around time and allow citizens to file complaints ([www.g2c.gov.bt](http://www.g2c.gov.bt)). Some of the key initiatives to be undertaken by this project are the set-up of a feedback cell for citizens to provide feedback, and the establishment of operating service points in the community centres using a public-private partnership model.

The government towards the end of 2009 signed performance compacts with the ministries building on the foundations of the performance-based system of earlier public sector reforms. These performance compacts included important initiatives that the ministries were to undertake over the next three years, and would be held accountable to meet the targets (GNHC 2009). The Prime Minister, in a statement issued to the press, warned that the failure to meet commitments as outlined in the performance compacts would earn either a reprimand or resignation of the implementing authorities (Bhutan Observer 2010). To assist the agencies in developing their performance compacts, an international consulting firm, McKinsey and Company, was hired, and a Performance Facilitation Unit within the Gross National Happiness Commission was established. As of June 2011, nine performance compacts had been signed with various ministries and agencies with each of them identifying their targets and outcomes (GNHC 2011). Again, these performance compacts are a typical feature of the NPM paradigm that builds on an output based performance objective and draw their inspiration from the similar experiences in New Zealand.

## 6.7 The characteristics of the Bhutanese administrative system post-2006

Overall the PCS did not substantially change the shape of the Bhutanese public administration in relation to the ideal types that we saw in Table 8. The three normal policy making components of the PCS—classification of position and occupational groups, recruitment, selection and promotion system, and human resource development—were not radical changes. They only made incremental changes to the Cadre System. All three components reinforced the TPA characteristics that were already prevalent under the Cadre System. The number of position levels of the 19 major occupational groups in the PCS had the same number of levels as that of the seven cadres of the Cadre System. In fact, the PCS had additional levels with the creation of a career path for specialists. The recruitment, selection and promotion component of the PCS did not deviate from the Cadre System. Appointments were still based on tenure, and recruitments were still made from within the civil service, which were typical characteristics of the TPA paradigm. The PCS attempted to reduce the minimum number of years of service required in a particular position to two years and also tried to keep provisions for allowing civil servants to apply for positions that were two levels higher. Table 11 also shows that the characterisation and the dominant focus of the ideal type typology of the recent political and governance reforms have reinforced the Westminster style of public administration. The characterisation of the Bhutanese public administration is still bureaucratic. Although attempts have been made to shrink the size of government through corporatisation, the government has not made efforts towards creating a post-bureaucratic or post-competitive government through outsourcing, privatisation and collaborative efforts. In the initial years of Bhutan's economic development, the government had to take the lead role in the development of economic activity, mainly because of the shortage of human resources and capital. In the late 1980s, however, increased attention on the part of the government was focused on developing the private sector. And from full ownership, in typical NPM style of reforms, the government divested a number of government undertakings, either by outright sale, partial minority ownership, management contracting, lease management, or commercialisation. In the last decade, numerous agencies, such as the Bhutan Power Corporation, National Housing Development Corporation, and City Corporation have been corporatised and delinked from the civil service.

The dominant focus and guiding principles of the Bhutanese public administration continues to emphasize the idea that civil servants should strictly abide by rules and regulation. Although democracy has considerably reduced the absolute powers of the King, nevertheless the popularity of the monarchy in Bhutan ensures that king continues to exercise nominal powers. Thus loyalty, both to the country and the king, continues to feature as a prominent guiding principle of the Bhutanese public administration. The civil service is guided by the Bhutan Civil Service Rules and Regulations (BCSR) issued by the RCSC and is constantly revised. Within the last 10 years, there have been four versions to the civil service rules and regulations: BCSR 2002, BCSR 2006, BCSR 2010 and the most recent BCSR 2012. A consistent theme that runs through each of these revised rules and regulations is that civil servants are expected to abide by the rules and regulations specified by the BCSR. In the foreword to the BCSR 2010, the Chairman of the RCSC states:

The BCSR 2010 aims to provide even more fair, transparent, accountable and effective uniform rules and regulations in managing the Civil Service of Bhutan. Ultimately the impact of **stringent application** of the BCSR is expected to bring about **professionalism, dedication, and efficiency** of the Civil servants in the service of our *Tsawa-Sum* as well as equity and justice thus eliminating the **evils of nepotism, favouritism and patronage** (emphasis added).

The Chairman's statement underscores some of the main values of the Bhutanese administrative system. The keywords to note are the words that imply a sense that the strict application of rules is to enhance professionalism and efficiency while eliminating patronage and nepotism.

A component of the PCS, however, that changed one of the characteristics of Bhutanese public administration was the performance management system, which was identified as a potential paradigm shift reform. The performance management system sought to transform the performance objectives of the Bhutanese public administration from the TPA paradigm to the NPM paradigm. The fundamental difference between the performance management systems in the PCS as opposed to the Cadre System is in the emphasis on the management of "outputs". Although the statement of targets in the performance evaluation form of the Cadre System is similar to the performance outputs

of the PCS, in terms of the final evaluation, the attributes of the civil servants towards achieving those targets were given greater importance. Such an emphasis on the evaluation of “inputs” is characteristic of TPA where the performance objective is to manage inputs. In the case of the performance management system of the PCS both “inputs” (the core competencies) as well as “outputs” (performance factors) was evaluated, with greater weighting given to outputs. A main feature of the performance objective of the NPM paradigm is managing inputs and outputs. It is in this respect that the performance management system of the PCS represented a paradigm shift from the TPA to the NPM paradigm. If the remuneration and benefits components of the PCS would have been approved for implementation, the performance bonus aspect, which is a NPM-related component where salaries and bonuses are tied to performance of an individual, would have reinforced the movement from the TPA to NPM in the performance objective characteristics.

The political changes which were introduced in 2008, including elections, means that the public order is changing and the public are in a position to demand better services from the government that they elect. The G2C initiative, in some ways, seeks to redress the issues of red tape in the system and quicken the pace of service delivery. It is anticipated that in the future, as the Bhutanese public gain experience with democracy, they will be aware of their rights and leverage their votes to determine policies and programs that best suit their needs. There have also been recent efforts to improve service delivery through the use of information and communications technology. Changes to the ideal type are reflected in Table 11, where a citizen-state relationship is slowly changing from obedience to a sense of empowerment (indicated in grey shading), and the role of public participation has changed from providing services to taking part in the public policy process through voting in elections. Democracy has also re-directed the accountability of senior officials, and they are now accountable to the politicians instead of the king. With a new Constitution approved by the Parliament in 2008, the secretaries are accountable to the government through their minister. Their accountability is ensured through the appointment process, where a list of nominations is submitted by the RCSC to the Prime Minister, and endorsed by the King. In addition to the secretaries, the other senior posts in the civil service are attorney general, ambassadors, *dzongdags*, and commissioners to the constitutional bodies. They are accountable to the government and to the parliament.



**Table 11 Fitting the Bhutanese Administrative system post-2006 within the ideal types of public administration**

	Patronage	Traditional Public Administration	New Public Management	Emerging Trends
<b>Characterisation</b>	Spoils System	Bureaucratic	Post-Bureaucratic, Competitive Government	Post-Competitive, Collaborative Governance
<b>Citizen-State Relationship</b>	Servant-Master	Obedience	Entitlement	Empowerment
<b>Accountability of Senior Officials</b>	Ruler/Sovereign	Politicians	Customers	Citizens and stakeholders
<b>Dominant Focus/ Guiding Principles</b>	Loyalty	Rules	Results	Relationships
<b>Key Attributes</b>	Personal relationships	Impartiality	Professionalism	Responsiveness
<b>Preferred System of Delivery</b>	Duress/ Forcibly	Hierarchical departments or self-regulating profession	Private sector or tightly defined arms-length public agency	Menu of alternatives selected pragmatically
<b>Performance Objectives</b>	Satisfying the needs of the ruler/ sovereign	Managing inputs	Managing inputs and outputs	Multiple objectives including service, outputs, satisfaction, outcomes
<b>Role of Public Participation</b>	Provide services	Limited to voting in elections	Limited—apart from customer satisfaction surveys	Crucial—multifaceted (customer, citizen, key stakeholder)

Other than these officials, all other senior officials (for example, directors and executives of the autonomous agencies) are responsible to the individual ministers or the chairman of the board that the agencies function under. The senior officials in the civil service are not directly accountable to citizens. They are only indirectly accountable through the politicians to the electorate.

Although still prominently consisting of TPA features, in recent years, the paradigm of Bhutan's public administration layers aspects of the NPM. In addition, traces of characteristics of the patronage system and the emerging models are also visible. As we saw with the plausible cause for a hybridity of Bhutan's public administration under the Cadre System, in recent years too, the pace of political and socio-economic developments in Bhutan is responsible for the changes in the characteristics of the Bhutanese public administration. Another interesting point to note is that as public administration systems change from one paradigm to another, it is in some ways an indication of a step-wise progression. Bhutan's experience reveals that this step-wise progression is not always adhered to. For instance, it is generally expected that systems based on TPA would evolve into the NPM paradigm which would then continue to change. In Bhutan only certain aspects of NPM have been incorporated. And it may be the case that the system will move on to incorporate new features of the emerging paradigms simultaneously. Whether this step-wise progression is necessary is another point that the Bhutanese case highlights. As some features of the paradigms are moving in a somewhat cyclical manner (for example, the move from centralisation in the TPA to decentralisation in NPM and back again to some form of centralisation under new trends such as whole-of-government), it may make sense for the public administrative system in Bhutan to skip steps that have been seen as part of the progression of public administration systems. Using the same example of centralisation, there is continuous pressure for the civil service to decentralise and devolve HR powers to the agencies, and which may not be entirely necessary. The main reason for this is because the small size of the country could also facilitate implementation of a centralised strategic human resource management policy effectively instead of working at various levels (Blackman et al. 2010). This would justify the argument that if properly implemented, centralisation of human resource functions, which is one of key features of the TPA, need not necessarily be outsourced to the private sector or delinked from the civil service. And because changes are taking place fast in the Bhutanese polity, it might be

the case that a skip is desired in the public administrative system to remain in tandem with the economic and political changes.

In this analysis it has been shown that Bhutan's public administration is hybrid in nature with layering of the characteristics of a combination of TPA and NPM post-2006. An important point to note is that it may be impossible to totally eliminate patronage in Bhutan given that the populace is relatively quite small and familial relationships continue to form the fabric of society. It is also expected that so long as the monarchy enjoys the popular support of the people, which has always been the case, the Bhutanese public administration is always going to exhibit traits of the patronage system. Praise has been given for the system as being based on consensus (Mathou 2000) and participation (Verma 1988). In the new democratic setting, it is probable that the public administrative system will become more responsive in its approach to policies and programs.

## **6.8 Conclusion**

This chapter highlighted two key points. Firstly, this chapter provided an introduction to the PCS. The PCS was a comprehensive set of reforms initiated by the Bhutanese government in 2006. It comprised five components that included classification, recruitment, training, performance management and remuneration reforms. These components were differentiated into two types of policy making, that is, either as normal policy making and paradigm shift policy. Normal policy making components of the PCS were those that were incremental in nature and their implementation did not result in a paradigm change. The three components of PCS that are identified as normal policy making are: (i) classification of positions and occupational groupings, (ii) recruitment, selection and promotion, and (iii) human resource development. The paradigm shift components of the PCS were those that were transformational in nature and their implementation resulted in a paradigm change. The two components of the PCS identified as paradigm shift policy were: (i) performance management system, and (ii) remuneration and benefits scheme. In its final form, all components of the PCS were approved for implementation except for the remuneration and benefits scheme. Categorisation of the PCS into the two types of policy making helps in the subsequent chapters to examine the dynamics of reforms and analyse some of the tensions that

emerge when implementing normal policy making and paradigm shift reforms. The second point of this chapter was to provide an analysis of how the recent governance reforms, including the PCS, since 2006 have changed the Bhutan's public administration based on the ideal types of public administration. While most of the components of the PCS reinforced the TPA characteristics of Bhutan's public administration system prior to 2006, the performance management system of the PCS and the introduction of performance compacts shifted the performance objectives from a TPA orientation to an NPM one. Similarly, service delivery reforms such as the G2C initiative taken by the Bhutanese government have also sought to incorporate an NPM trait of customer orientation into the civil service. Political changes in Bhutan has also resulted in the characteristics of its civil service, and from a patronage system where the role of the public was to provide services, the participation is now through taking part in elections. In the next chapter, the thesis evaluates the PCS based on the perceptions of the Bhutanese civil servants. The evaluation includes an overall perception of the PCS and an assessment of the PCS based on the scope, timing and implementation of the reform.

## **Chapter 7: Evaluation of the PCS**

### **7.1 Introduction**

The earlier chapters of the thesis have provided a background to the ideal types in public administration using the notion of paradigms and imposing Bhutan's public administration onto the ideal type typology to explain the trajectory of Bhutan's civil service history. In the last chapter, the implementation of the PCS was discussed and divided its five main components into two categories of policy making, that is, either as normal policy making or paradigm shift policy. This chapter evaluates the PCS based on its various aspects based on the perception of the Bhutanese civil servants. This chapter draws on the findings using the methodology described in Chapter Two of the thesis which uses a combination of both quantitative and qualitative methods. It also takes a revisionist approach in the evaluation of the PCS. The revisionist approach sits between the argumentative and rationalistic traditions to evaluating policy, and evaluates the process, programmatic and political dimensions of the policy. In doing so, in this chapter the findings of the evaluation of the PCS are reported to address the research sub-question of the thesis: How does the scope and timing influence the evaluation of public sector reforms?

The chapter is divided into two main parts. The first part provides a general overview of the perception of the Bhutanese civil servants towards the PCS. The purpose of this section is to analyse the influence on the evaluation of the PCS based on factors such as the scope and timing of the reform and different views of the policy actors. The second part of the chapter includes an evaluation of the PCS through the implementation of the various components of the PCS. This section will analyse the components of the PCS as normal policy making or paradigm shift policy. But before the start of the discussions on the evaluation of the PCS, chapter starts with an examination of some of the challenges in evaluating public sectors reforms and the approaches to evaluation.

### **7.2 Challenges in evaluating public sector reforms**

There is a gap in post-reform evaluation literature on public administration. Andersen (2008) argues that enormous resources are invested in reforming public sectors across

the world and that evaluations are urgently required. Although there have been some evaluation studies, there remain fundamental issues that make evaluation of public sector reforms a challenging field to study. Part of the problem with the evaluation of policy, in general, is the debate about whether or not it measures empirical facts of 'what has happened or not' or about 'how people interpret the policy environment and wider social change perceived to be connected with this environment' (Barnes et al. 2003 cited in Haynes 2008, 402). In the practice realm, although evaluations have been conducted by governments they have been used in a relatively limited and sporadic manner (Thoenig 2003). Sanderson (2002, 6) explains that evaluation research is perceived to be used more conceptually rather than instrumentally, and that decision makers tend to use evaluation in an 'unsystematic' and 'diffuse' form. Various researchers offer plausible reasons for the dearth of evaluation studies. One of the key challenges in policy evaluation is the difficulty in identifying and measuring the goals and objectives to serve as a baseline (Winter 2003; Wollmann 2003). Winter (2003) points out that the problem lies in the way goal achievement is perceived, which is often a fraction of the output or outcome as the numerator and the policy goal as a denominator. The evaluation of public sector reforms, as Wollmann (2003, 6) notes, is 'thornier' than policy evaluation in general. One of the factors that causes such challenges, particularly in the field of public administration, is the disconnection in the links between the various aspects of the policy process in public sector reform process. Barzelay and Jacobsen (2009, 319) point out the disconnection, stating that 'theoretical accounts of policy making are incomplete when they neglect the post-decisional, follow-up of implementation phase'. Therkildsen (2000, 66) also notes the weak link between public sector reform policy making and implementation, arguing that 'decisions on reform measures are therefore often taken without due regard to implementation capacity and budget constraints'. It is evident that the policy formulation process and policy design affect the implementation results (Winter 2003), and implementation is considered an integral part of the 'policy process rather than an administration follow-on' (Barret 2004, 253).

Nevertheless the importance of evaluation of public sector reforms cannot be denied. Public sector reforms normally involve considerable investment in terms of financing and as well as in the creation of new management teams, and an evaluation would be a way to determine if the money was worth the investment (Broadbent and Laughlin

1997). Evaluation also plays an important role in providing information about the performance in enhancing accountability and providing evidence of what works to inform policy learning and improvement (Sanderson 2002). Finally, the 'information generated through program evaluation helps to inform day-to-day management and future programming decisions and implementation initiatives' and the findings also 'provide feedback to the formulation stage to inform decisions about policy change' (James and Jorgensen 2009, 142). In conducting evaluation studies of institutional reform policies, Kuhlmann and Wollmann (2011, 480) identify three inter-related and sequential steps and loops. First, evaluation may be addressing the institutional change as intended by institutional reform measures. That is, its guiding question is whether and why the intended institutional change has been or has not been achieved. Secondly, evaluation is led by the question whether and why the effected institutional reform has or has not brought about the intended change in the operation in the institutional setting under consideration. Thirdly, outcome evaluation aims at identifying and explaining the achievement or failure of intended outcomes of institutional reforms.

According to Bovens et al. (2006) there are two opposing traditions in evaluation studies, the rationalistic and the argumentative traditions. Broadly, the rationalistic tradition emphasizes value neutrality and objective assessments, ignoring the pressures of politics. Borrowing concepts and methods from the natural and physical sciences, the rationalistic tradition produces factual data to construct theoretical policy optimums in terms of efficiency and efficacy. Evaluation involves the measurement of the distance of the actual policy outcomes from this optimum. An example of a rationalistic tradition is the evidence-based form of policy evaluation. Sanderson (2002) points to two main forms of evidence required to improve governmental effectiveness, that is, promoting accountability in terms of results and promoting improvement through more effective policies and programmes. Based on a rational decision-making model of policy process, policy is perceived as a course of action in pursuit of objectives ('goal-driven') and by evaluating the extent to which the policy achieves these objectives ('goal-oriented') (Sanderson 2002, 5). On the other side of the evaluation spectrum, the argumentative tradition views policy evaluation as informed debates among competing interests that incorporates politics in the *ex post* analysis of policy performance. It does not treat facts as separate from values. Taking a social constructivist approach, the argumentative tradition focuses on the interpretation of the physical objects rather than in the actual

measuring of these objects. An example of the argumentative tradition in evaluating policies is the work of Assche et al. (2012) where they present an evaluation of the Dutch spatial planning based on a conceptual framework of discourse and social systems theories to grasp the reasons for utilising ascriptions of success and failures of policies. Basically they distinguish between 'discursive configurations, rhetorical functions, performances and effects of ascriptions of failure and success', and argue that configuration of the discursive environment represents the potential for success ascription to spread and the potential for transformation (Assche et al. 2012, 568). Furthermore, they add that each system creates its own 'semantics of success and failure', and in an organisation, decisions that make systems change course can be interpreted as either innovation or mistake, as success or failure (Assche et al. 2012, p. 570).

As a combination of both the traditions, Bovens et al. (2006) propose a "revisionist" approach to evaluation. Essentially they identify two dimensions to evaluation, programmatic and political dimensions. The programmatic dimension takes into consideration the effectiveness, efficiency and resilience of the policy. And the political dimension examines how politics and policy makers are represented and evaluated in the political arena. The rationalist approach to policy making, which was initially adopted by governments in order to overcome the weakness of the subjective and opinion-based policy that relied on selective used of evidence or untested views of individuals or groups, did not pay enough attention to the political context within which policy was made (Cameron et al. 2011). Thus the revisionist approach positions itself in between the two traditions to build on their advantages and also in the process accounting for the weaknesses of the two approaches. Building on the revisionist approach, Marsh and McConnell (2010) developed the Dimensions of Policy Success model to evaluate policy. The model essentially identifies three broad dimensions for evaluating the success of a policy: process, programmatic and political successes. According to Marsh and McConnell (2010, 572–574) *process* refers to 'stages of policy-making in which issues emerge and are framed, options are explored, interests are consulted and decisions made', *programmatic success* occurs when the 'policy process involves, and reflects the interests of, a sufficiently powerful coalition of interests', and *political success* acts as the 'benchmark for policy success' which is determined when 'it assists [the government's] electoral prospects, reputation or overall



governance project'. The framework also includes the indicators and evidence of each of the three dimensions. The process dimension includes indicators such as legitimacy in the formation of choices, passage of legislation, political sustainability and innovation and influence. The programmatic dimension includes indicators such as operational, outcome, resource and actor/interest. The indicator for the political dimension is the government's popularity.

### 7.3 Perceptions of the PCS and the timing of the evaluation

In the survey conducted with the Bhutanese civil servants in October–November 2011, the findings showed that the perception towards PCS was generally positive, with 41% positive and 10% very positive views as opposed to 14% negative and 4% very negative views (refer to Figures 2 and 3). To crosscheck that the respondents understood or answered the question about their perception of the PCS correctly, I also asked the respondents for their views on the effect that the PCS had on the civil service, that is, if the PCS had strengthened or weakened the system. The findings were similar to that of the overall perception of the PCS, and 39% said that the PCS had strengthened the civil service and 5% said that the PCS strongly strengthened the civil service. And 15% and 4% of the respondents thought that the PCS had either weakened or strongly weakened the civil service. In both the questions, approximately 25% of the respondents thought that the PCS had no effect on the effectiveness of the system and almost the same number had a neutral perspective on the overall perception of the reforms.

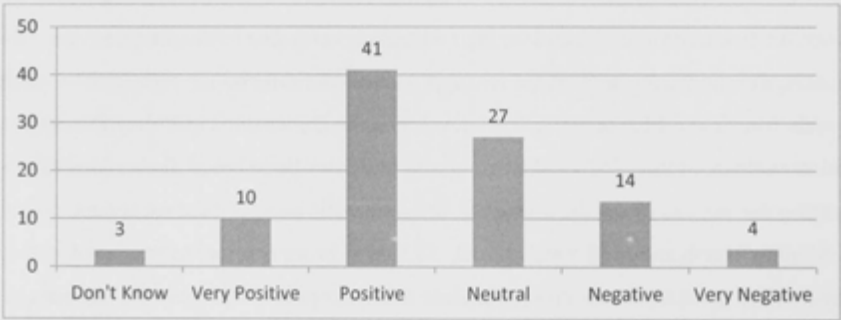
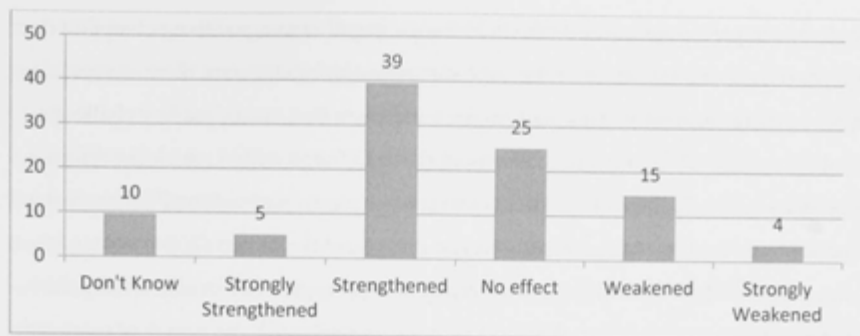


Figure 2 What is your perception of the PCS? (In percent)



**Figure 3 What do you think was the overall effect of the PCS on the Civil Service? (In percent)**

These positive perceptions of the PCS are surprising because just a few years ago the PCS was publicly discussed as a failure by leading political figures and civil servants. Immediately following its implementation, the PCS received a slew of attacks on online discussion forums continuously for almost two years. Such strong perceptions of the PCS prompted the Prime Minister, in a gathering with senior civil servants in February 2009, to declare that the PCS was a ‘mistake’ and that it had weakened the civil service with its ‘rules and regulations’ and that it would be reviewed (Kuensel 2009). A simple survey was also conducted by the Ministry of Agriculture among its staff in June–July 2009 on whether or not the PCS was effective in improving the objectives of professionalism, meritocracy, fairness, transparency and accountability. The findings echoed the publicly declared sentiments of general civil servants towards the PCS: in all the cases, more than 70% of the respondents (n=177) felt that the PCS had not improved the system to achieve its goals. Another indicator of the success of the PCS would be the political dimension aspect of policy evaluation. Marsh and McConnell (2010) identified as an indicator of political success the popularity of the government based on the implementation of the policy and if it helps in either re-electing or boosting the credibility of the government. With the PCS, the same ministers who approved the PCS in 2006 were also the prime ministerial candidates of the two parties standing for election in 2008. None of the two parties contesting in 2008 took credit for the introduction of the PCS. On the contrary, in the 2013 elections, the winning party had as one of its manifestos to ‘revisit the PCS, and if needed, revoked’ (PDP 2013, 21).

The change in perception towards the PCS from a negative to a positive perception over the years reflects the fact that reforms take some time before they are more acceptable and hence more successful. This leads to the conclusion that one of the key challenges in evaluating the PCS reforms is determining the time frame within which the reforms are evaluated. The findings of the study based on the experiences of the PCS show that the perceptions tend to change over the years. Pollitt and Bouckaert (2004) contend that the time frame before the full benefits of changes in processes and structures in public agencies ranges anywhere from three to five or more years after the launch of a reform programme. These findings reveal the need to evaluate public sector reforms at several phases of the implementation to get a more robust evaluation of success of these changes.

An important indicator of success is to assess whether or not a policy benefited a particular category of people. Success is often 'contested' by various parties and there will not be an agreement on whether or not any aspects of a policy are successful (Marsh and McConnell 2010, 575). To assess whether or not the PCS benefited a particular category of civil servants the perception of the PCS was made against categories such as qualification, position levels, age, location, year of joining the civil service and major occupational group of the respondents. Examining the perceptions towards the PCS by qualification, one would have expected that those without an undergraduate degree would have a higher rate of negative perception towards the PCS. As one of the interviewees noted, the PCS stressed the importance of qualifications over seniority (R2). The civil service had a large number of people who only possessed high school diplomas and who were recruited at a time when there were not enough people in the civil service. Interestingly, the survey revealed that those respondents with a diploma and Class X/XII certificate had positive (51%) and very positive (9%) perceptions of the PCS; whereas a relatively high number of civil servants with a master's degree had a negative perception of the PCS (27%).

The survey showed that the perspective by position levels was fairly uniform across the position categories. Of those respondents in the professional and management category, 12% had a very positive perspective of the PCS, 38% had a positive perspective as opposed to 15% who had a negative perspective and 3% had a very negative perspective. Similarly in the supervisory category, 8% had a very positive perspective

and 48% had a positive perspective as opposed to 4% who had a very negative perspective and 8% who had a negative perspective. When assessing the perception of the PCS by dividing the respondents into occupational groups, those in the professional and teaching groups had a slightly more positive perspective (56% and 60% respectively) than the administrative group (45%). When assessing the perceptions by the year that they joined the civil service, again the perspectives are mostly positive for all categories of year that they enter into the Bhutanese civil service. There is a difference in the degree of positivity, with those joining the civil service post 2006 and the periods 2000–2005 and 1990–1999 having a higher rate of positive responses—59%, 50% and 49% respectively. Those joining in the years 1980–1990 have a fairly lower rate of 48%. In the overall perception towards the PCS by the location of work, there is a positive perspective with civil servants both in the capital city (Thimphu) and the regions almost similar—46% in Thimphu and 60% in the regions viewing the PCS positively. In examining the perceptions of the PCS by age group, those within the age groups of 20–24, 25–29 and 30–34 years had a higher rate of positive perceptions ranging from 57% to 61%; whereas those in the age groups 35–39 and 40–49 years had a relatively higher negative perception of the PCS, with 32 % of respondents in the 40–49 years age group. As an official involved in the formulation of the PCS put it, this group comprises ‘old timers’ did not have the adequate qualification (R3). The BCSR 2006 and its subsequent versions puts the age limit cap at 45 years if civil servants want to avail themselves of the opportunity to apply for funds or for study leave to pursue a long-term academic program.

## **7.4 Scope of the evaluation of the PCS**

Although the perception towards the PCS has become more positive in recent years, there still remain major issues with its implementation. As a senior official involved in the formulation as well as an executive in an implementing agency noted, the PCS in its objectives was clear in terms of what was expected out of the change initiative, but ‘when it came to implementation, it has fallen by quite a large degree’ (R4). This section explores this “rhetoric versus reality” debate in the implementation of the PCS by evaluating the components of the PCS against its initial objectives. It is important to analyse the common issues in the overall implementation of the PCS. Such an outlook in the movement of the PCS towards an ideal type will help in examining the issues in

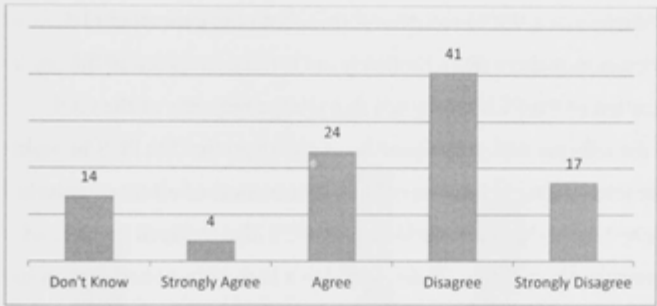
the formulation and the transitioning from the Cadre System to the PCS. The discussion on processes of the PCS will also isolate the factors of the perception of the PCS based on the implementation of the components of the PCS.

#### **7.4.1 Formulation and decision-making of the PCS**

The Good Governance exercise of 1999 initiated by the Bhutanese government specified the objective of the PCS was to overcome some of the weaknesses of the Cadre System particularly in the absence of job descriptions and by reinforcing merit through a better promotion system. In strategizing the formulation, however, the findings show that there was a lack of clarity in what the PCS was set to achieve and how to go about it amongst those involved in the formulation. As one of the persons involved in the formulation stated, 'there appeared to be no one clear view of the PCS, and what it actually entailed, and there are different versions in its interpretation which affected in ensuring uniformity while implementing' (R4). The PCS provided an opportune moment for the government to introduce other reforms that were required in Bhutan's civil service. An official of the RCSC Secretariat admitted that 'the introduction of PCS was also used as an opportunity to implement other reforms that the RCSC was working on', such as rules on leave and on open competition selection processes (R7). Instances where reforms tend to generate further reforms can often be observed in practice (Therkildsen 2000; Thoenig 2003). The experience with the formulation of the PCS clearly indicates that in its final form it took on a set of comprehensive public sector reforms. And the PCS was claimed as a "new public service order", which certainly added hype and was seen as a solution to the weaknesses of the Cadre System. In its attempt to be perceived as something new, the PCS neglected incorporating some of the strengths of the Cadre System. In its own way, as an official involved in the formulation acknowledged, the Cadre System did promote morale and professionalism in the civil service, and now in the implementation of the PCS there are instances where PCS has had to revert back to some aspects of the Cadre System (R2).

In designing the PCS, both experts from within the country and from outside were involved and their contributions were visible in the final policy document of the PCS. Generally, at this level, as an official involved in the formulation of the PCS pointed

out, the interaction was good although there were a few instances where the focal person in the agencies for the PCS was changed often and thus continuity was lost (R2). At the level of involving the stakeholders, that is, general civil servants, findings show that there were numerous issues. Those involved in the formulation of the PCS admitted that, ‘We could not come up with a very clear road map that we could communicate to the general civil servants’ (R3); and, ‘more consultation could have happened so that there was a clear understanding of what the whole system [PCS] is’ (R4). This point is also reflected in the survey which indicates that about 55% of the respondents thought that they were not provided sufficient opportunities to provide feedback in the formulation of the PCS, as opposed to less than 30% who thought they had the opportunity (refer to Figure 4).



**Figure 4 Opportunities for feedback**

#### **7.4.2 Transition of the PCS**

Findings of the study reveal that an important component to ease transition into the era of the new reform that was overlooked was preparing the civil servants to adapt to the new systems and to inculcate the new work culture that the PCS brought in. The PCS was perceived as being a major reform situated ‘within a larger social context’ (R11) and one that required people to ‘change their mindset’ in a big way (R7). Pollitt (2006) agrees that structural reforms seldom take place in a ‘vacuum’ and that there are other things going on at the same time. The transition to the PCS was not managed well and there appeared to be a lack of clarity in the implementation strategies leading to disparities in the implementation. To enhance implementation of reforms, it has been suggested that the reforms should have a clear connection between goals and the means to achieve these goals (Winter 2003), and the implementation structure and processes

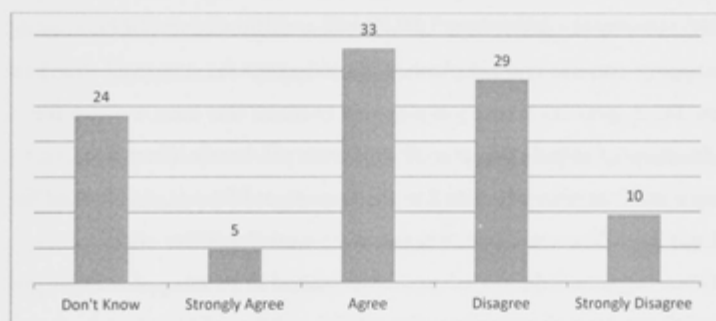
should be simple (May 2003). The lack of clarity was evident with the PCS, as an official responsible for formulation and implementation of the PCS remarked:

I think there is no one clear view of the PCS. So depending on who you talk to, you get different versions of PCS. Even on certain issues which are now quite common but if we talk to people they have different interpretations, which shows that we brought in a new system without clear understanding, clear alignment. And once we don't have clear alignment, you can imagine what will happen in implementation. (R4)

This reflected the fault of the agencies and individuals involved with the PCS. It was up to them to explain the purpose of the PCS and prepare them for the new system. An official pointed out that there was a 'lot of resistance' from both the general civil servants as well as the decision-makers (R2). Similarly, an official involved in the formulation and coordination of the PCS also noted that a large majority of the civil servants did not accept the reforms and, subsequently, complained that the PCS brought in changes that made the jobs 'unstable because of the requirements of all those criteria of the PCS' (R21). As a result, the implementation of the PCS also suffered because of the lack of capacity to manage the reforms. There was also a lack of in-house experts to provide clarifications to issues raised by agencies. An official responsible for implementing the reforms acknowledged that the PCS was a major reform initiative and that in-house capacity to implement the reforms was weak, and they had to handle the reforms hands-on without proper expertise (R7). A key strategy adopted by the RCSC to implement the reforms was to build the capacity of the HR officers in the agencies to oversee the implementation of the reforms in addition to manage all the HR activities that were decentralised through the PCS. These HR officers were mostly fresh inductees to the civil service, and hence were new to the PCS too.

The findings showed that although the Cadre System had its weaknesses there were also a lot of strengths that the PCS ignored. For instance, the Cadre System allowed those in the non-officers level, Grade 9 (S1) and below, to rise to at least Grade 6 (P3), whereas with the PCS, it did not allow movement beyond S1 if civil servants did not possess the qualification of a university degree. Such a hurdle in the promotion ladder led to stagnation at the S1 level because most civil servants entered at the S3 level—a key

entry point into the system for those with Class XII and a diploma qualification—and within a span of eight years they would have reached the S1 level. The RCSC then started making exceptions for some of the occupational groups to allow them to move one position level up, thereby defeating the purpose of the PCS and also creating some discrepancies in the implementation of PCS among sectors. As a manager responsible for implementing the PCS noted, another advantage of the Cadre System was that it allowed for ‘logical succession planning’ and people did not move in and out of an organisation frequently (R9). This was one of the major complaints of the PCS, and that people tended to move through their positions too frequently and also across occupational groups, which resulted in a loss of professionalism in the system. The perception towards how the transition to the PCS was managed is perhaps best reflected in Figure 5, which shows a slightly greater proportion of respondents who disagreed with the statement that adequate measures were taken to ensure the successful transition of the PCS.



**Figure 5 Measures to ensure successful transition in place**

The key strategy put in place for the effective implementation of the PCS was the job-mapping exercise. What the job-mapping strategy aimed to do was to integrate civil servants from the Cadre System into the new system. This was conducted by aligning the grades of the Cadre System that civil servants were in with the position levels. The position levels in the PCS were adapted from its original form to align with the Cadre System, and each position level in the PCS could be more or less equated to an equivalent grade. In hindsight, while there were complaints that the PCS was not a new reform but an extension of the Cadre System, such a strategy of maintaining close proximity with the Cadre System did avoid possible tensions. This is because of the fact



that in the Cadre System civil servants were placed in certain positions by default, and there was disparity in responsibilities between people with the same grades. It was this category of people that posed a problem when doing the job-mapping exercise. To overcome this problem, an interim strategy was to assign position sub-levels, for example, A, B, C and so on. This created some confusion but it also helped in overcoming the problem of matching those people already shouldering higher responsibilities to continue without disrupting the work of the organisation.

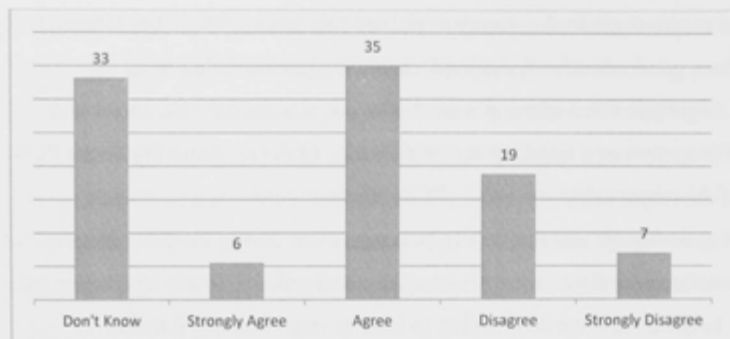
There were inconsistencies in the way in which the job-mapping was conducted. An official in one of the agencies who played a formative role in job-mapping for his organisation complained that 'RCSC did not give us clear instructions' and therefore how the agencies went about it created discrepancies within the system (R12). On the part of the RCSC, the workload of the entire exercise was under-estimated, and it was left to a single division within the RCSC, that is, the Human Resource Management Division (HRMD), to coordinate the entire job-mapping process. Understandably so, an official of the RCSC Secretariat admitted the HRMD had a 'difficult time' (R7). Because the job-mapping exercise was not planned properly and was staggered over a period of two years, those agencies whose job-mapping exercise was done towards the end realised the advantage of mapping their staff within the sub-levels. Therefore, instead of assigning a staff member in Grade 8 to the equivalent P5 level, they would be assigned at the P3 (C) level. The way the promotion rules were framed to allow combining the sub-levels affected the rise of an official posted in P5 as opposed to a colleague posted in P3 (C). In such a scenario, the official in P5 would have to serve a minimum period of four years before he or she moved to P4 and then another four years to move to P3, whereas his or her colleague in two years could be eligible to move to P3 (B) and then after another two years to move to P3. Even as the reform moved into its fifth year of implementation, there were still a few civil servants at the P5 (F) sub-level (R10).

#### **7.4.3 Implementation of the PCS**

In the implementation of the PCS findings reveal that numerous issues surfaced. The success of public sector reform depends to a large extent on the clarity of roles, responsibilities and accountability in the implementation of the reform (Jones and Kettl

2004). One of the respondents to the survey explained this point: 'While fundamental promise of PCS was good and sound, the implementing agencies failed in actual implementation. Therefore there was a general feeling of resentment, discontent and apathy toward PCS system as a whole as a result' (RS2). In the applicability of the PCS to Bhutan, one of the major criticisms of the PCS was that there was a mismatch between the PCS as a concept and the PCS in practice. Even during the formulation stage, as the international advisor noted, the challenge was taking 'theory and trying to make it far more tangible, and we were trying to look at ways to make it more operationalised' (R22). Despite these efforts, components such as the performance management system, which in theory had elaborate mechanisms at various stages of the appraisal system to capture all elements of performance, faced obstacles with its implementation. Another area of conflict in the application of the PCS was the desire for a qualified civil service through the PCS. A criterion specified was the requirement of a minimum of an undergraduate degree to be eligible to get into the professional and management and higher categories. With almost less than 25% of the civil servants possessing a university degree (RCSC 2007), the PCS was perceived as benefiting only a certain segment of the population.

Figure 6 shows that only about 40% of the respondents thought that the implementation of the PCS was as per the policy document and manual and about 25% disagreed that it was not. Almost 33% of the respondents did not know whether or not the PCS was implemented as set out in the policy document. This reflects their lack of knowledge either of the implementation or of the policy document and manual. The latter possibility is highly likely and is indicative of the fact that civil servants were not knowledgeable about the contents of the PCS policy document and the manual.



**Figure 6 Implementation of PCS as per Policy Document and Manual**

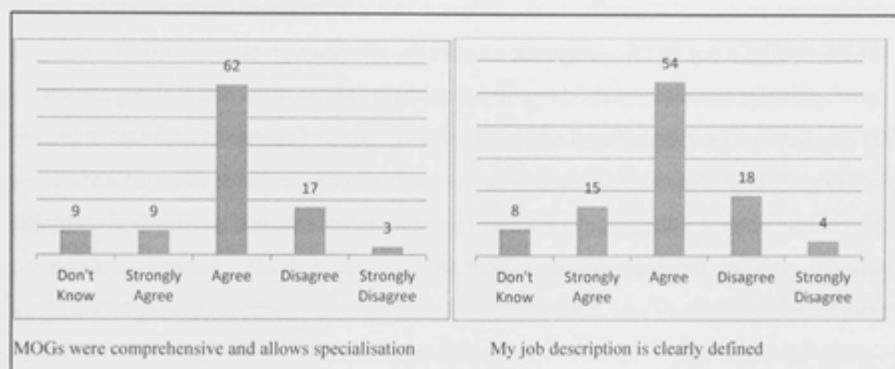
## **7.5 Normal policy making**

### **7.5.1 Classification of Positions and Occupational Groups**

A key objective of the PCS was to establish a fair and equal system based on the principle of equal pay for equal value of work. This objective was to address the weakness of the Cadre System where a position did not have a specified job description and the work assigned was based mainly on the individual or the manager. In this sense, the PCS aligned with Weber's theory on bureaucracy and modern officialdom and reinforced the TPA characteristics in the Bhutanese civil service. Basically, the PCS injected into the public administration TPA characteristics where the public administration is based on fixed and jurisdictional areas ordered by rules and there is hierarchy and levels of graded authority with those in the lower position levels supervised by higher ones. The PCS classified all positions of Bhutan's civil service. It described each of these positions in a comprehensive manner considering the responsibilities of the position, and the knowledge, qualification and experience required to perform those responsibilities. The classification and occupational group component also set out to pursue accountability in the public administration by clearly outlining roles and responsibilities through the job descriptions.

In the implementation of the classification of position and occupational groups component of the PCS, civil servants generally agreed that the major occupational groups were comprehensive and provided opportunities for specialisation (refer Figure 7), which shows that close to 70% of respondents agreed or strongly agreed with the

statement. Respondents also agreed that their job descriptions were clearly defined, with 54% agreeing and 15% strongly agreeing with the statement. The PCS certainly resolved many issues of the Cadre System where one position had people with a range of different grades (R1). One such position was the post of *dzongdags* (governors of local governments), who were now placed in position level EX3, whereas in the Cadre System there were people ranging from grades 1 (equivalent to a Secretary in the EX1 position) to 4 or 5 (equivalent to the post of a division chief in the P1 position).



**Figure 7 Perceptions of Positions and Occupational Groups**

There were still some areas that required improvement or faced some challenges in the implementation of the classification of positions and occupational group component. One area of shortcoming in the classification of positions was in the job descriptions themselves. An official involved in the formulation and implementation of the PCS stated that these job descriptions were not referred to when performing the jobs (R8). And 22% of the respondents stated that they either “disagreed” or “strongly disagreed” that their job descriptions were clearly defined. Part of the reason why the job descriptions were inadequate could be because of the magnitude and scope of the work itself. The PCS reform formulators found it difficult to compare and fit all the positions within the 19 occupational groups into a uniform classification system. Another reason why the job descriptions were not referred to in the implementation process could be due to the poor quality of work in the description of the jobs. Many of the officials involved in the formulation of the PCS complained of the differences in the quality of work and the capacities of the focal persons who were identified to conduct and compile the job descriptions in their agencies. As an official involved in the formulation of the

PCS stated, some of the agencies did not 'realize the importance of this exercise' and a lot of factors for the purposes of the PCS depended on how well the job description was written (R7). Other officials also pointed out that in some agencies, the focal persons who were writing the job descriptions were not qualified or did not know the work of the specialists in their agencies (R3, R14). An often-cited example was in the case of the medical profession, where the doctors and nurses were not consulted enough in the job description exercises. On the part of the focal persons, there were complaints that they were not provided with adequate training or sufficient guidance to conduct the job description exercise. Generally, in the end, an official involved in the implementation of the PCS pointed out that those agencies where the job descriptions were done 'professionally and objectively' benefited from being able to move to higher position levels (R2). Another issue faced was in the classification of occupation groups in the inability of the PCS to classify certain positions. For instance, in the case of Land administration and management, a senior executive noted that it was classified under the scientific and engineering group, when it was more administration and management-related (R16).

A key feature of the occupational groupings of the PCS was the categorisation of all the positions and occupational groups in the Bhutanese civil service into four broad categories of executive/specialist, professional/management, supervisors and operations. To move from one category to another, a civil servant had to possess a specified minimum qualification. So to be eligible for a position in the professional/management category, for example, a civil servant had to have a minimum of an undergraduate degree, and to move into the specialist category, a minimum of a master's degree was required. This deviated substantially from the Cadre System, where civil servants could move up in the hierarchy where grades overlapped among the different cadres, based on serving the minimum number of years. Under the Cadre System, a civil servant belonging to the administrative support cadre could move up to grade 6, which is equivalent to a mid-level civil servant from the administrative cadre. With the new reforms, the requirement for a minimum qualification proved to be a major issue and created such severe challenges in the implementation that constant revisions in the rules had to be made to allow for exceptions for certain occupational groups.

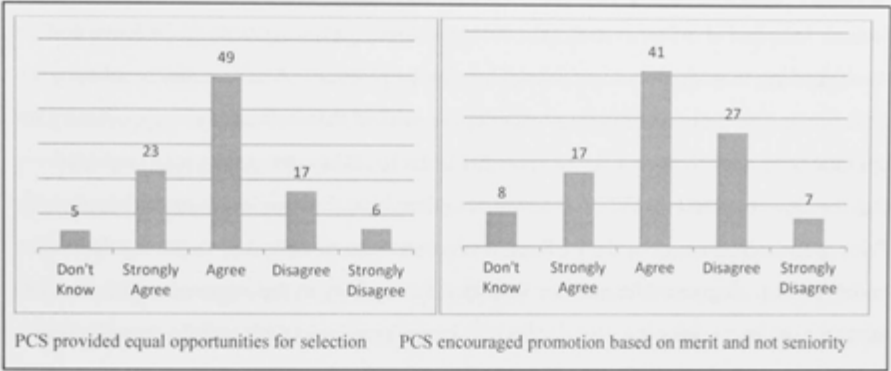
The implementation of the categorisation produced stagnation in the system. The first stagnation point was just after the P1 level where the options were to either move into the executive or specialists category. With limited positions in the executive category, an official highlighted the point that civil servants were forced to move into the specialist category (R8). Such a move defeated the purpose of creating professionalism in the civil service, and it was used as an alternative career pathway to avoid stagnation at the P1 level. An official pointed out that during the formative years of the PCS, the to-and-fro movement of civil servants once placed in the specialist category and moving back into the executive category willing to forgo salary reduction and loss in seniority was severely criticised (R1). The second point of stagnation was at the cusp between the supervisory and the professional/management levels, where the requirement for a minimum qualification of an undergraduate degree was putting pressure on civil servants to upgrade their qualifications. Such an effort required considerable time and resources on the part of the civil servant, but what it also translated into was the loss of specialised technical skills. For example, in the Ministry of Health, occupations such as x-ray and laboratory technicians supplied critical diagnostic services for the doctors. However, as the international advisor noted, to move to the next higher pay level, they had to upgrade their qualifications, and if they were successful in fulfilling the requirements for the next higher position, their job requirements were quite different than for the one they had experience and the skills for (R22).

Despite the minor issues with the PCS component of classification of positions and occupational groups in the implementation, the findings reveal that the classification of positions and occupational groups were generally perceived as beneficial. An official stated that it was good to have the position descriptions to set standards and that these position descriptions ought to be used as a 'starting point' and 'basic guideline' (R7). Another official pointed out that it was particularly helpful during job interviews where the term of reference for a particular position was based on the job descriptions (R10). The comprehensive list of position descriptions originating from the PCS would serve as a directory for organisations to pick and choose the position and its requirement in the future.

### 7.5.2 Recruitment, Selection and Promotion System

The recruitment, selection and promotion component of the PCS sought to enhance professionalism by placing the right person for the right position by matching qualification to the position's requirement. This reinforced the key tenet of TPA, which sought to reduce the inefficiencies of patronage appointments by instituting a system of formal appointments of staff based on knowledge and expertise required for the specific position. The comprehensive job descriptions provided a basis for the recruitment of people. The key strategies that this component adopted were to have a recruitment policy that would allow selection of the most suitable candidate for a position and a promotion system that was based on merit. Overall, the recruitment, selection and promotion component was viewed positively by the civil servants. Figure 8 shows the responses of the civil servants to the survey related to this component. Almost 70% of the respondents agreed that PCS provided equal opportunities for selection to a vacant position in the civil service through an open competitive selection system. About 60% agreed that the PCS encouraged the promotion of civil servants based on merit and not seniority. The PCS reduced the number of years that were required to be served in a position from more than five years to four years from each position, which is a marked reduction from having to serve as many as seven years in a position in the Cadre System. With regard to the open competition selection process, it was seen as being a fair and transparent process to select candidates. Although it was an improvement over the Cadre System where candidates could be appointed directly by the agency or the RCSC to a position, the "open" competition was still restricted to the civil service only, and did not allow people from outside the Bhutanese civil service to apply for the job. Such a closed system of recruitment to tenured civil servant is a prominent feature of TPA, as opposed to appointing people on a contract basis of the NPM paradigm. Nevertheless, an official of the RCSC Secretariat commented that the open competition selection process encouraged candidates who felt that they were suitable and could contribute to the position could apply, and such a process has worked reasonably well (R1). There were also some complaints with the process of open-competition in the selection process especially at the senior management level. One of the complaints, several officials responsible for the implementation of the PCS noted, was that it led to the loss of professionalism (R14, R16, R22). This was because the agencies could not hold back candidates who wanted to apply for a position outside their agency. The

experience with the open competition selection for positions in the executive category attracted numerous civil servants with specialised skills. Some examples are those of one of the country’s few soil science experts becoming the director of youth and sports and an irrigation specialist becoming a director of another department.



**Figure 8 Perceptions of the Recruitment, Selection and Promotion System**

Perhaps one of the key changes that the PCS brought was the delegation of authority to the agencies to facilitate HR actions. Many of the senior management in the agencies who were interviewed agreed that the delegation of authority was facilitative for most of the HR actions. One of the main benefits, as pointed out by officials responsible for implementation of HR actions in the agencies, was the reduction in the time taken for the approvals of the recruitment process between the agency and the RCSC (R10, R16). But the managers also felt that it was only those routine tasks that would have been approved by the RCSC either way, so in many ways it was only a decentralisation of HR tasks rather than devolution of HR authority from the RCSC to the agencies. Besides, the most crucial HR action, which included the authority to grant meritorious promotion to those high performing staff without having to fulfill the minimum requirement rule, still had to be approved by the RCSC.

**7.5.3 Human Resource Development**

The importance of the qualification criteria was one of the main features of the PCS. It was anticipated that resistance to the PCS would be from those civil servants in the



supervisory and support (S) and operations (O) categories who did not possess a bachelor's degree. They comprised almost 80% of the total civil servants at the time when PCS was implemented (RCSC 2007). The survey conducted in 2011 revealed that there was not that strong a resistance to the HRD component of the PCS. Approximately 70% of the respondents agreed that the PCS had in fact provided opportunities for civil servants to upgrade their qualifications (refer Figure 9). The RCSC implemented various long and short-term strategies such as allowing civil servants study leave and some funding to undergo an undergraduate degree program. A substantial number of civil servants without an undergraduate degree availed themselves of the opportunity to upgrade their qualifications. As of June 2011, the RCSC ([www.rcsc.gov.bt](http://www.rcsc.gov.bt)) reported that there were a total of 433 civil servants undertaking their undergraduate degree. Prior to the introduction of the PCS, civil servants were not allowed to pursue their undergraduate degrees. The number was particularly high in the engineering sector. A manager in the engineering sector who was interviewed said that with the introduction of PCS required civil servants to upgrade their qualifications: 'as of now we have almost 100-plus engineers alone pursuing undergraduate degree' (R12). Such opportunities helped in improving the perceptions towards the PCS, which is reflected in Figure 7 that shows that close to 70% of the respondents thought that the PCS provided opportunities to upgrade qualifications and enhance competencies.

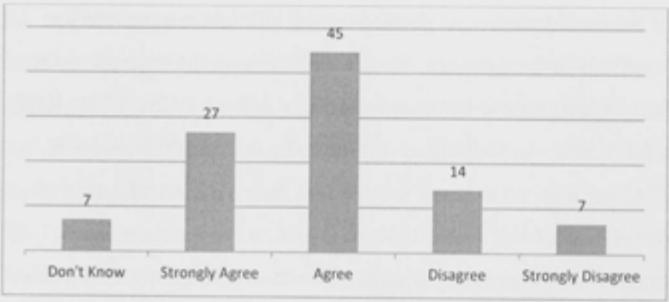


Figure 9 Perceptions of HRD System

## 7.6 Paradigm shift reforms

### 7.6.1 Performance Management System

The performance management system of the PCS sought to improve performance in the

Bhutanese civil service by encouraging a merit-based system by linking individual performance to promotion and rewards. This reflects key ideas of the NPM paradigm where promotions and other rewards and incentives are closely tied to performance based on new institutional economics and rational choice ideas. The performance management system component of the PCS was introduced to overcome shortcomings of a seniority-based Cadre System. Under the Cadre System performance management was based on TPA principles where the focus was on processes that were guided by rules and regulations that ensure uniformity and performance appraisals were mostly based on formal education, merit and tenure. The PCS looked towards NPM-related private sector practices and sought to produce better and more desirable outputs and organisations were also encouraged to establish standards and measures of performance with clearly defined goals and performance indicators. In the implementation of the PCS, amongst the four components of the PCS that were implemented, excluding the remuneration and benefit component which was not approved, the findings show that the performance management system was the most unsuccessful. According to officials responsible for formulating and implementing the PCS, although the instruments of the performance management system itself were thought to have been 'good, objective and transparent' (R11) and 'at par with other international systems' (R21), it was in its implementation where issues were flagged (R21). Three broad reasons that explain challenges in the implementation of the performance management system can be identified. The first reason for the failure of the performance management system, as explained by the international advisor, is that the forms itself were perceived to be 'difficult' and 'unfriendly' with too many details and information required (R22). No training was provided to help both the supervisors and employees to help use the forms and understand certain concepts and terms such as targets, key performance indicators and core competencies. A second reason, as noted by another officials responsible for the implementation of the PCS explained, is that principles such as equal pay for equal value of work were not applied, which affected the enhancement of performance in the civil service (R13). There was a lack of valuation of the work and nothing was measured, resulting in promotions based on seniority instead of merit. Thirdly, the performance management system as envisioned in the PCS involved a major cultural change in the Bhutanese civil service. While we shall observe more of the cultural factors when examining the challenges of rating performance in the following subsection, many of those officials involved in the PCS formulation admitted that the

cultural changes were not considered when designing the reforms (R7, R11).

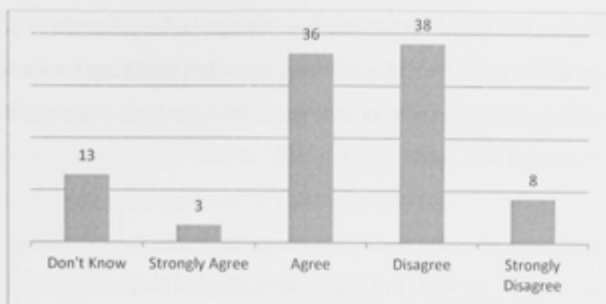
### *Identification of performance targets*

With the performance management system of the PCS, identifying targets was a crucial element to determine and manage outputs. However, in implementation of the performance management system, there were difficulties in identifying performance targets for individual employees. One of the reasons for this was partly because of the uncertainty around the government's fund which was dependent on international donors especially for capital expenditure related projects. A case in point to illustrate the uncertainty of funds is a recent example where the Government of India had committed to supporting the 11<sup>th</sup> Five Year Plan which started in July 2013.<sup>13</sup> In October 2013, the Finance Minister of Bhutan stated that: "We've informed the Government of India, and they've also committed to release the money but I have no idea when the money will actually arrive" (Kuensel 2013). Another reason can be found in the difficulty in the identification process itself. As one of the officials commented, civil servants found it 'very difficult' to make individual plans (R17). Heinrich (2007, 28) contends that one of the challenges that confront public managers is that there are problems in reaching 'clearly defined, verifiable public objectives' performance measures.

On the part of the management, an official noted that there was a 'lack of commitment' in the agencies to identify performance indicators (R3). A reason for this, another official explained, could be that agencies were not given adequate financial and other resources to incentivise people to perform (R9). This finding links to the conclusion made by Dahlstrom and Lapuente (2010, 595), in their study of cross-country differences in performance-related pay, where they conclude that the main obstacle for the implementation of high-powered incentives in the organisation is the 'lack of trust' and the failure of managers to 'provide credible commitments'. This limitation is reflected in the support and resources provided to achieve performance targets. Close to 45% of the respondents disagreed with the statement that they were provided with adequate support and resources to achieve performance targets (refer Figure 10).

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<sup>13</sup> The Government of India has consistently been Bhutan's largest donor ever since the 1960s when Bhutan embarked on its economic development plans.



**Figure 10 Adequate support and resources are provided to achieve the performance targets**

### *Rating the performance of Bhutanese civil servants*

A key part of the performance management system of the PCS is rating of the evaluation. In the rating of the performance of civil servants, managers found it challenging to objectively evaluate performance. Agencies were not able to identify clear performance targets, and as one of the officials commented, there were too many factors that were required to be evaluated (R9). The performance review form required the ratings of both the quantity and quality for each of the three performance outputs that the employees had to identify and the ratings of the six core competencies required to perform the job. In addition the manager also had to provide comments on special achievements or needs of the civil servant in the performance review form. Officials responsible for the implementation of the PCS pointed out similarities to the Cadre System where performance ratings were conducted at the last minute and in some cases ratings for three to four years were all done together in one single sitting (R1, R9). Managers also complained that giving a negative or a poor rating was not easy in the Bhutanese civil service (R4, R8). There was no incentive for managers to rate others negatively and those managers who were objective and rated some performances as either “poor” or “fair” were criticised for being too harsh. An official from the RCSC Secretariat commented that the promotion rules were perceived as being geared towards all civil servants having a minimum of a “good” rating, which was one of the major flaws with the performance management system (R7). Another official with the RCSC Secretariat also pointed out that the set-back in the promotion rules was visible in the number of civil servants receiving an “outstanding” in their ratings. A manager commented that almost 90% of the people in her agency are outstanding (R23). One of

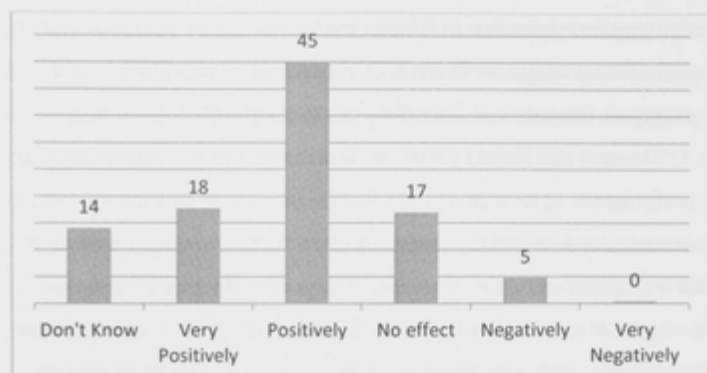
the reasons that managers gave their staff an outstanding rating was because the performance ratings are used as a main basis for comparison when applying for various human resource actions such as competing for vacant posts through open competition, training opportunities and secondment opportunities (R9).

Some of the new features introduced in the performance management system of the PCS were the requirement for the civil servant to do a self-rating of their own performance and then to sit with the manager and do a face-to-face rating of each of the evaluation factors. The self-rating of the employee did not count towards the final evaluation and was to be used as a basis for managers to give the final ratings. In the implementation of the self-rating some senior executives complained that employees tended to rate themselves "outstanding" and it put the manager in an 'awkward situation' where they were obligated to give a similar rating (R6). The face-to-face evaluations rarely took place (R8, R13). The main reason for the failure of a face-to-face discussion between the manager and the employee to determine performance ratings was because in Bhutanese culture subordinates hardly ever challenged the supervisors' decisions (R14). In a similar study conducted by Vallance (1999, 91) of the performance appraisal in Singapore, Thailand and Philippines, it was found that ratings were not openly shared between supervisors and employees in order to either 'save face' or 'avoid the possibility of confrontation'. Vallance (1999, 79) also points out that modern appraisal systems are based upon Western notions of 'individual achievement and performance' and the application of performance appraisal systems outside a Western context offers a useful way to study the possible effects of culture on administrative practice. The pervasive influence of more traditional Bhutanese culture and the small society within which the Bhutanese civil service operated were also pointed out as being one of the main challenges that affected the implementation of the performance management system in the PCS. It was a major challenge for the managers to objectively evaluate their staff. Some of the managers who initially conducted their evaluations objectively were criticised by their staff for not being "compassionate" enough because the evaluations affected their promotions and other benefits. One of the managers termed this a case of 'compassion misplaced' (R1) and there was an inherent damage to the meritocracy of the system by way of not distinguishing performers from non-performers. The smallness of the Bhutanese society affected the implementation of the performance management system in numerous ways. One of the officials involved

in the reform formulation pointed out that in Bhutan the ‘performance appraisal system exists in a larger social context where we know each other’ and ‘it will always be a challenge to really segregate the personal from the professional’ (R11). In another country’s example, O’Donnell and Turner (2005, 624) also point to the example of the implementation of performance agreements in the Pacific microstate of Vanuatu, where the culture of ‘consensual decision-making’ and ‘embarrassment avoidance’ spill over from society into the organisations of the state. The evidence on the implementation of the performance management system demonstrated that Bhutan’s public administration system encouraged mediocrity rather than meritocracy, especially when there was no discrimination between levels of performance.

### **7.6.2 Remuneration and Benefits**

The component of the PCS that was not approved was the remuneration and benefits component, where the pay of an individual was to be directly linked to performance. The remuneration and benefits component of the PCS sought to inject NPM principles into Bhutan’s public administration by linking resources and rewards to performance. The performance-based pay based on market-like mechanisms to increase employee performance and organisational productivity were a move away from pay based on the tenure-based system of the TPA. One of the main reasons for its rejections was the likelihood of high financial implications because managers would be allowed to give as high as two to three performance increments in a year to their employees. An official pointed out that there was also concern that ‘everybody will get them, and that it will be the norm rather than the exception’, leading to a high wage bill and burdening the government exchequer (R14). Another official also commented that it was thought that it would have been difficult to implement the remuneration and benefits component since it would ‘not be acceptable from an equity point of view’ and would be seen as favouring a certain group over another (R9). Figure 11 shows how the perception would have been affected if the remuneration and benefits component had been approved. Over 60% of the respondents thought that it would have positively affected the outcomes whereas about 15% said that it would have *no effect* and less than 10% thought it would negatively affect the outcome of the PCS.



**Figure 11 Perceptions of the Remuneration and Benefit System**

## 7.7 Summary of the key findings

In this chapter, the dynamics of the PCS has been examined by evaluating the components of the PCS based on two main aspects, the policy process of the PCS and the type of policy making. The policy process aspect of the PCS included findings on the formulation, transition management and implementation of the PCS. In the formulation of the PCS, it was clear that the scope of the reform changed dramatically from when the idea of the PCS was first conceived in 1999 to when it was approved for implementation in 2006. Some of the major issues that were identified in the formulation stages were that the capacities of the focal persons in some of the agencies were weak and that the opportunities for stakeholders to provide feedback were not in place. In the management of the transition from the Cadre System to the PCS, the job-mapping exercise, which in fact should have been carried out before the approval of the PCS, was not given due importance and many discrepancies were observed. The creation of HR divisions in the agencies helped in ensuring that the PCS was implemented but there were some agencies with inexperienced HR officers. When it came to implementation of the PCS, clearly there were gaps observed between the ideal, reflected through the objectives of the PCS, and the reality, which is seen in the implementation of the various components of the PCS.

The experience of the PCS that highlights the difference between the ideal and reality is helpful in the next chapter in explaining why some public administration systems are hybrid and layered. Table 12 shows a summary of the differences between the ideal and

practice in the implementation of the PCS. The table differentiates the two types of policies in the case of the PCS, the normal policy making which includes components of the PCS that sought to bring changes in the Bhutanese civil service within the characteristics of the TPA paradigm, and the paradigm-shift policies that include those components of the PCS which attempted to move from the TPA paradigm to the NPM paradigm by incorporating new characteristics. The first component of the normal policy making type of the PCS is the classification of positions and occupational groups, which was formulated with the objective of establishing a fair and equal system through the principle of equal pay for equal value of work. The strategies included dividing all positions into four categories and 19 occupational groups and compiling comprehensive job descriptions of each position based on qualifications, knowledge and skills required. In the implementation, findings showed that classification of positions brought about some uniformity in grades that were disparate under the Cadre System. Having job descriptions for all positions also set a standard and was a useful starting point for various human resource actions. However, not all job descriptions were constructed properly making it difficult to implement them, and also certain positions were not included in the position directory. While the emphasis for each position on qualification ensured that the position was filled by qualified people, it did lead to stagnation of civil servants at certain position levels.

The second normal policy making component of the PCS was the recruitment, selection and promotion component. It sought to enhance professionalism in the Bhutanese civil service by placing the right person in the right position by matching qualification to its requirement through a competitive, transparent and fair selection system, and by providing equal opportunities for selection to a vacant position. In its implementation, the recruitment and selection process was perceived as being a fair and transparent system of selection. The promotion criteria also reduced the minimum number of years of experience required in a particular position. The civil servants also felt that the PCS facilitated the delegation of authority to the agencies for certain human resource related actions such as appointments and transfers. A major implementation issue with the open competition process was in the loss of professionalism as applicants with a specialised skill or qualification could not be denied an opportunity to apply for another vacant post which may or may not require that particular skill or qualification.



**Table 12 Summary of key findings**

Type of Policy	Component of the PCS	Ideal/ Rhetoric (Objectives of the PCS)	Reality (Implementation of the PCS)
Normal Policy Making (TPA → TPA)	Classification of Positions and Occupational Groups	<p>Establish a fair and equal system through the principle of equal pay for equal value of work:</p> <ul style="list-style-type: none"> <li>by dividing all positions into 4 categories and 19 occupational groups</li> <li>by comprehensive job descriptions of each position based on qualifications, knowledge and skills required</li> </ul>	<ul style="list-style-type: none"> <li>brought about uniformity in disparity of grades</li> <li>set standards and was a good starting point</li> <li>poor quality of the job descriptions made it difficult to implement</li> <li>certain positions not classified</li> <li>requirement of minimum qualification led to stagnation</li> </ul>
	Recruitment, Selection and Promotion	<p>Enhance professionalism by placing right person for right position by matching qualification to its requirement:</p> <ul style="list-style-type: none"> <li>through a competitive, transparent and fair selection system</li> <li>by providing equal opportunities for selection to a vacant position</li> </ul>	<ul style="list-style-type: none"> <li>reduced the number of years for promotion</li> <li>fair and transparent system of selection</li> <li>loss of professionalism</li> <li>delegation of authority was facilitated</li> </ul>
	Human Resource Development	Provide the right skills, knowledge and qualifications by facilitating training and development activities	<ul style="list-style-type: none"> <li>allowed people to upgrade their qualifications</li> </ul>
Paradigm-Shift Policy (TPA → NPM)	Performance Management System	<p>Encourage merit-based system by linking individual performance to promotion and rewards:</p> <ul style="list-style-type: none"> <li>ensuring that performance targets are aligned to organisational goals</li> <li>through the processes of performance planning, monitoring, reviewing and recognition</li> </ul>	<ul style="list-style-type: none"> <li>identification of targets/outputs difficult</li> <li>processes not followed, e.g. periodic ratings, face-to-face ratings</li> <li>negative ratings difficult to implement</li> <li>too many outstanding ratings</li> <li>evaluations not objective</li> </ul>
	Remuneration and Benefit	Pursue efficiency through the effective use of financial and human resource through incentives such as performance bonus, etc.	<ul style="list-style-type: none"> <li>could not be implemented due to financial implications</li> </ul>

The third normal policy making was the HRD component of the PCS, which strived to provide the right skills, knowledge and qualifications by facilitating training and development activities. Findings revealed that civil servants were given the opportunity to upgrade their qualifications. The paradigm-shift policies of the PCS are the performance management system and the remuneration and benefit components. The remuneration and benefit component was designed to pursue efficiency in Bhutan's civil service through the effective use of financial and human resource through incentives such as performance bonus. It was not approved for implementation due to the financial implications of such a reform. Where the PCS faced huge implementation challenges was with the performance management system. The objective of the performance management system was to encourage a merit-based system by linking individual performance to promotion and rewards through the processes of performance planning, monitoring, reviewing and recognition to ensure that performance targets are aligned to organisational goals. In its implementation, civil servants found it difficult to identify targets. In the appraisals of performance, processes such as conducting periodic ratings and sitting together to determine targets and rate performance were not followed. Managers found it challenging to give negative ratings to their subordinates, leading to a situation where there were numerous outstanding ratings.

## **7.8 Conclusion**

This chapter presented an evaluation of the PCS by drawing on the data collected using the methodology described in Chapter Two. The first section discussed some of the challenges in evaluating public sector reforms. It was argued that although there is recognition of the importance of evaluating public sector reforms, there is a gap in post-reform evaluation. This chapter also helped to fill in the gap in the literature and evaluated the PCS based on a revisionist approach that measured both the process and programmatic dimensions of the PCS. A general overview of the perception of the PCS also showed that the perception of the reforms had changed over the years, becoming more positive compared to the initial years following the implementation of the PCS when it was viewed negatively. The following sections examined the scope of the PCS and evaluated the PCS based on some of its process dimensions. The evaluation of the formulation, transition and implementation processes of the PCS revealed a mixture of

failures and successes. For instance, in the formulation process of the PCS, there was comprehensive study done with various experts involved but there was a lack of involvement of the civil servants who were the key stakeholders. Similarly, the change management component of the PCS was overlooked and there were numerous transition issues such as the poor job-mapping between the previous system and the PCS.

In terms of the programmatic dimension of the evaluation, the components of the PCS were evaluated based on the category of policy, either as normal policy making or paradigm shift reforms. Based on the findings, the chapter concluded that the normal policy making components of the PCS (that is, the classification of positions and occupational groups, the recruitment selection and promotion system and the human resource development components) were viewed positively. There were a few issues with some of the components such as the loss of professionalism and stagnation in the system but overall these reforms were quite successful in their implementation. On the other hand, the paradigm shift reform components of the PCS (that is, the performance management system and the remuneration and benefits components) were unsuccessful in fulfilling their objectives. The performance management system faced major hurdles in its implementation. Some of the main problems were the difficulty in identifying targets and challenges in objectively rating. The remuneration and benefits component of the PCS was not approved for implementation.

In the next chapter, based on the evaluation of the PCS, I focus on some of the dynamics of the PCS. It builds on the process dimensions of the PCS to discuss the drivers of change of the PCS and includes analysis of the ideas and symbolism aspects of the PCS, and issues such as policy transfer and change management. It also analyses the forms of interaction between the normal policy making reforms and paradigm shift reforms, and highlights the importance of context and culture within these discussions.

## **Chapter 8: Dynamics of the Position Classification System reforms**

### **8.1 Introduction**

This chapter, based on the experiences of the implementation of the PCS in Bhutan, will examine aspects of the dynamics of the PCS by addressing the third research sub-question of the thesis: How do the drivers of change and their forms of interaction shape reforms? To do so, this chapter is divided into three main sections. The first section discusses the drivers of change of the PCS such as ideas, interests, actors and processes that shaped the reform. This section will include discussions on broad themes such as policy transfer, change management, stakeholder participation and other formulation and implementation issues. These discussions will also help in determining the influential variables (for example, policy transfer) and factoring out variables (for example, change management and stakeholder participation) when examining the forms of interaction in the second section of this chapter.

The second section of this chapter will discuss the forms of interaction of public sector reforms by analysing the differences between normal policy making and paradigm shift policy components of the PCS. Based on the evidence of the PCS, I will demonstrate that paradigm shift policies face a major challenge in implementation. The challenge is mainly attributable to the contextual and cultural differences between Bhutan and the countries in which the components of the PCS were originally based. These discussions on context and culture and its importance in the application of public sector reforms form a significant contribution of the thesis to the field of comparative public administration.

In the third section, using the key findings and analysis from all the previous chapters I provide an explanation of how the dynamics of the PCS led to a hybrid system in Bhutan's public administration comprising the layering of various paradigms. I will discuss two of the key factors that are responsible for hybrid systems in public administration. The first factor is related to the processes of public sector reforms when public administrations move towards an ideal type. The second factor is dependent on the type of public sector reforms, that is whether or not they are normal policy making or paradigm shift reforms. The impact of the reforms differs depending on the

prevailing context and culture of the public administration. I shall come to the conclusion that it is the challenges in the implementation of the paradigm shift reforms that forms the second factor as to why hybrid systems exist. And in the concluding section, I summarize the main discussion points and offer recommendations based on the experiences of the application of PCS in Bhutan's civil service.

## **8.2 Drivers of change of the PCS**

### **8.2.1 Ideas and symbolism**

The PCS started off as an appendage to the Cadre System and then slowly it became a larger reform initiative. As pointed out by the officials involved in the reforms, under the banner of PCS other reforms were also initiated (R7; R11). In this sense, the PCS presented itself as a window of opportunity for the policy makers in Bhutan to include other reforms required in the system. Such methods of policy formulation have been labelled by Kingdon (1995, 165) as 'policy windows' which are defined as 'opportunities for advocates of proposals to push their pet solutions, or to push attention to their special problems', and such moments are normally presented when the three streams of the multiple streams framework—problem, politics and policy—are either coupled or are joined together. In the comprehensive manner that the PCS was finally shaped, numerous other factors beyond just the changes taking place in the public sector were influential in determining the final contents of the reforms. At the time work on the PCS started in the year 2000, there were numerous political and socio-economic changes taking place in Bhutan. In the field of policy analysis there was an increasing acceptance for the reintegration of political and economic variables as important factors for agenda setting. The idea of the "political business cycle", which suggested that the economy had its own internal dynamics and on an occasion was altered by political interference, gained momentum over the "resource-dependency model" of the mid-1980s and the "convergence theory" prior to that, as the dominant theories of agenda setting (Howlett et al. 2009). Therefore, the shift in conceptualisation of the PCS as a position description exercise to its transformation as a major comprehensive reform was against such a backdrop of political and socio-economic changes taking place in the country. Part of the criticism of the PCS was also a large part due to this transformation, which made the agenda setting process unclear for those involved in the formulation of the PCS.

By the time the reform was in its final stages, the PCS was claimed to be a “new civil service order”, and the PCS took on a symbolic flavour with a lot of hype. It was perceived as a major reform initiative seeking to address the limitations posed by the Cadre System as well as addressing emerging issues. According to Christensen and Laegreid (2003, 3) such predominance of symbolic gestures in administrative reform policies is ‘related to the general and indirect focus on processes, personnel and structures’ and are often presented with ‘hype, rituals, myths, ceremonies, metaphors, and rhetoric of norms and values’. The PCS also claimed to be based on an “internationally recognised system”. In many ways, such a claim was used to legitimize its application. Commons (2001, 225) in his study of the scope and penetration of NPM in three Southeast Asian countries concluded that ‘being seen to imitate NPM’ is more important than its implementation. Similarly Andrews (2013, 2) also finds that many developing countries introduce reforms as ‘short-term signals’. Such signals are often to ensure support and legitimacy from external agents on whom these developing countries depend for credit and funds. Under such circumstances, developing countries commit to best practices. However, Andrews notes that, implementing these best practices are problematic because they do not fit the developing countries’ contexts since the reforms are designed with limited attention to context, which makes their application difficult. Lane (1997, 13) warns that when public sector reforms turn towards such symbolic policy-making where these reforms are developed into a ‘public pathology, where people talk about what is going on without really knowing why things are going on and how the outcomes are related to the efforts’, then the goals of the reforms will be impacted. Clamour for the change that the PCS was supposed to usher in and the actual perception of the change as being ‘old wine in a new bottle’ (RS2) or ‘same as the Cadre System’ (R8) also led to negative perceptions of the PCS.

### **8.2.2 Stakeholder participation**

In the formulation process of the PCS, while the RCSC formed various committees and task forces with members from various sectors, there was an apparent lack of involvement of the primary stakeholder, that is, the civil servants themselves. A large majority of the civil servants who responded to the survey were not given the opportunity to provide feedback during the process of the formulation of the PCS.

Ideally the reforms should have been seen as coming from within so that people were able to take ownership of the reforms. Experiences with the implementation of institutional reforms in developing countries reveal that although individual champions and heroes are considered important to the success or failure of institutional reforms, change normally requires a wider engagement that involves 'coordinated interaction of many capabilities that are seldom found in isolated individuals or narrow groups' (Andrews 2013, 89). A senior official commented that 'no one should say it is RCSC's PCS, they should say that we all contributed towards it' (R6). Instead, the PCS was perceived as being initiated by the RCSC (by 64% of the respondents to the survey), and only 7% of the respondents thought that the civil servants themselves were responsible for the PCS. Many scholars have advocated a more participatory form of policy formulation and decision-making process, arguing for collaborative governance processes that promote collaboration among multiple stakeholders and public agencies (Ansell and Gash 2007; Bingham et al. 2005). The stakeholders usually consist of a network of government, businesses, civil society and citizens. These actors operate through informal and formal institutions through interdependent relationships to achieve objectives by collaborating with each other (Bevir and Richards 2009). This interactive governance process differs from traditional public policy processes where stakeholder participation occurs upon development of a policy (Edelenbos and Klijn 2006). The demand for collaboration, therefore, increases 'as knowledge becomes increasingly specialised and distributed and as institutional infrastructures become more complex and interdependent' (Ansell and Gash 2007, 544). Proponents of the collaborative approach in the policy process argue that such processes help in the identification of concerns and objectives (Renn et al. 1993, 90), and also maintain accountability, educate citizens and foster understanding of competing interests (Bingham et al. 2005, 554). More specifically in the field of public administration, such a participatory form of policy process has been coined by researchers as "collaborative public management" and describes the process of solving problems by multi-organisational arrangements rather than by single organisations (Ospina and Foldy 2010, 293). Lowndes and Skelcher (2002, 316) note that the understanding of interactions between organisations originated from two principles of 'competition' and 'collaboration', and that collaboration is a response to either threats or an opportunity to expand domains, influence, and secure resources. Furthermore, McGuire (2006, 39) contends that 'communication among employees' is one of the foundations of purposeful

organisational behaviour, and that inclusive strategic planning and management are also important. He also cautions, however, that the presence of collaboration does not automatically equate to the success of a program, and that collaboration also has its drawbacks (McGuire 2006). Such an interactive approach can be quite cumbersome and costly with participants not being able to agree on common goals and objectives, and often the dynamics of the relationships within the collaboration are unequal, and lack trust and information about the linkages (Bevir and Richards 2008; McGuire 2006).

The lack of opportunity for feedback affected the implementation of the PCS in Bhutan and increased the time lag for the PCS to be accepted. Senior officials and managers involved in the formulation and implementation of the PCS also agreed that there was a lack of consultation with the civil servants:

I think people felt that there weren't enough consultations given that this had huge implications for each and every civil servant. And when you are bringing on reform of that magnitude that is going to impact each and every one I think much more consultation could have been done so that we would have benefited from the reform (R4).

Officials responsible for the formulation of the reform also admitted that sufficient education about the reforms was not conducted, and the consultations that the RCSC held were mostly based on broad principles and policies rather than on the specifics of the reforms (R7).

### **8.2.3 Policy transfer**

The findings of the research point to the centrality of policy transfer. Policy transfer is a 'process in which knowledge about policies, administrative arrangements, institutions, etc. in one time and/or place is used in the development of policies, administrative arrangements and institutions in another time and/or place' (Dolowitz and Marsh 1996, 344). It is also 'a form of decision making by analogy, using another entity's experience as a source of ideas and evidence' (Mossberger and Wolman 2003, 428). In general, such cases of policy transfer, normally, tend to include four major processes: learning, emulation, hybridisation and inspiration (Evans 2009; Marsh and Sharman 2009). The



core components of the PCS such as classification of the major occupational groups, position descriptions, the performance management system and decentralisation of recruitment and selection systems of the PCS were based on best practice from experiences in developed countries. With the PCS, the main objective of the government was to resolve some of the underlying issues around the Cadre System and also to reduce issues pertaining to the Patronage System. Nevertheless in its endeavour to achieve this objective, it also incorporated major reforms that brought in aspects of best practice from countries that were perceived as being advanced in terms of their systems. In general, however, the issue of policy transfer is quite important in the field of public administration because a majority of countries tend to adopt public sector practices from developed countries, or from countries that have initiated public sector reforms successfully. The impetuses for policy transfer are due to various factors. Learning from practices that have been seen to be successful in other countries is appealing. This is because it reduces uncertainty and risk surrounding the reform to a certain extent and also because it is easier to persuade policy makers to put a reform item on the agenda without having to undertake a thorough study of the problem that needs to be addressed (Mossberger and Wolman 2003). Another impetus for policy transfer sometimes occurs when policies are introduced for fear of falling behind neighbouring countries (Evans 2009). Globalisation appears to have also increased the policy transfer process (Evans and Davies 1999). Pierre (2013, 119) also contends that globalisation can be a 'powerful driver of administrative reform'. International institutions, dominant economic and military countries, transnational networks and other discourse communities are some of the key players who resort to policy transfer practices (Christensen and Lægreid 2003). In the case of developing countries, multilateral and bilateral developing organisations play a major role in shaping the ideas, opportunities, demand and supply of public sector institutional reforms (Andrews 2013).

The PCS was seen as an answer that could address the changing needs of the public administration and the developmental challenges in Bhutan. The PCS included the policy transfer processes of learning, emulation and a certain amount of hybridisation. Three main agents of policy transfer of PCS can be identified. First, many of the officials involved in the conceptualisation of the PCS had some formal training or qualification from the United States and were therefore exposed to its public administration. Some of the officials involved in the formulation had some formal

qualifications from countries such as the US, Australia, UK and Canada. Secondly, study visits by those officials involved in the reform formulation were made to countries within the Asia Pacific Region to countries such as Australia, New Zealand, Singapore, Thailand and the Philippines to examine aspects of the system. Thirdly, international advisors from New Zealand and other countries also played a role in helping bring with them ideas and concepts that they were familiar with either through their experiences or their perceptions of what was deemed as best practice in the field of public administration. Such international policy transfers that involve transnational transfer of networks rather than a simple bilateral exchange between countries are quite common (Stone 2007).

There were numerous problems with respect to the PCS as a case of policy transfer. Most of these issues came about because of the context in which the PCS was applied and because of the cultural differences that became imminent with the introduction of the PCS. As with the case of most policy transfers, the processes involved are not always straightforward. One of the prerequisites for policy transfer to be successful is that countries must have a good idea of the policy in the originating country and the experiences of other countries with the similar reform (Mossberger and Wolman 2003). Governments must also be clear about the problem to be solved at home and must consider experimenting with various methods before deciding on the combination that best addresses their needs (Jones and Kettl 2004). There are variations in the contexts between the countries from where the reform is transferred to the country adopting the reforms. The differences are more pronounced when considering the application of NPM-type reforms from developed countries to developing countries or from Western Anglo-Saxon countries to Asian countries. Various studies on the transfer of NPM-related reforms to Asian and developing countries (for example, Cheung and Scott 2005; Common 2001; Manning 2001; UN 2005) exemplify the significance of the context in the case of policy transfer. Manning (2001, 297) points out that consultants and development agency staff have acknowledged that NPM is not appropriate for many developing countries where the public sector is 'politicized' and the public expectations of the government differ significantly for these countries. Similarly, the UN Report (2005, 61) also points out that developing countries are at different 'stages of the development process'. Furthermore, Andrews (2013, 28) also notes that institutional reforms are pursued in countries with 'problematic contexts'. Significant contextual

differences also exist in Asian countries. For instance, Cheung and Scott (2003) point out that the socio-political realities of Asian countries where state institutions have a dominant role present a fundamental misfit with the logic of NPM, which emphasizes the influence of the market. Similarly, Common (2001, 255) notes that NPM was also used as a 'rhetorical tool' in some Southeast Asian countries as imitating NPM was perceived to encompass 'fashionable ideas and theories', and that in reality it was only certain aspects of NPM, such as performance measurements and use of budgets for control and planning, that were implemented. Olsen (2005, 16) warns that adopting Anglo-Saxon prescriptions and culture within tight budgetary constraints and short time frames are likely to have 'detrimental' and 'disastrous' consequences.

In the formulation of the PCS, the Bhutanese government relied quite heavily on the international advisors and consultants for ideas and best practices. Andrews (2013) points out that often external agents either ignore or are unable to see the contextual realities of the reforms applied in countries. These external agents focus on only what is visible, thus undermining the opportunities and constraints in the implementation of reforms. Andrews, however, also notes that it is not solely the problem for external agents, as even those who are affected by the reforms are unable to visualize the contextual elements. Contextual factors are not defined and explicitly mentioned in reports and studies (Andrews 2013).

#### **8.2.4 Change management**

An important component to ease transition into the era of the new reform that was overlooked was preparing the civil servants to adapt to the new changes. Officials involved in the formulation of the PCS commented that the PCS was perceived as being a major reform situated 'within a larger social context' (R11) and one that required people to 'change their mindset' in a big way (R7). Pollitt (2009, 286) agrees that structural reforms seldom take place in a 'vacuum' and that there are other things going on at the same time. Generally the pace, magnitude and importance of organisational changes have also increased considerably in recent years (Burnes and Jackson 2011). When organisations initiate such change it is difficult to monitor the change that is taking place or to determine the amount of change that is required (Young 2009). Based on the findings from the previous chapter, it is evident that the transition to the PCS was

not managed well. And at a more conceptual level, a reason that most change initiatives fail is because of the misalignment between the content of the change and the organisational goals and values (Attaran 2000; Burnes and Jackson 2011; Hardy 1996; Self and Schraeder 2009). Kotter (1995) states that only a few change efforts are successful and successful changes are often associated with those who understand that the change process undergoes a series of phases which require considerable time. Towards successful change, eight steps to transforming the organisation that Kotter (1995) proposes are: establishing a sense of urgency, forming a powerful guiding coalition, creating a vision, communicating the vision, empowering others to act on the vision, planning for and creating short-term wins, consolidating improvements and producing still more change, and institutionalizing new approaches. With the PCS, there appeared to be a lack of clarity in the implementation strategies, leading to disparities in the implementation. The lack of clarity was evident with the PCS, as one official stated: 'I think there is no one clear view of the PCS. So depending on who you talk to, you get different versions of PCS' (R4). The fault was with those agencies and individuals involved with the PCS. It was left to these focal persons and resource persons to explain the purpose of the PCS and prepare civil servants for the new system.

The implementation of the PCS also suffered because of the lack of capacity to manage the reforms. In particular, there was a lack of in-house experts to provide clarifications to issues raised by agencies. Officials responsible for implementing the reforms acknowledged that the PCS was a major reform initiative and that in-house capacity to implement the reforms was weak, and they had to handle the reforms hands-on without proper expertise (R7). Basically, to enhance implementation of reforms, it has been suggested that the reforms should have a clear connection between goals and the means to achieve these goals (Winter 2003) and the implementation structure and processes should be simple (May 2003). Individuals must be convinced about the need for change by crafting a compelling vision for it and managerial leaders must develop a course of action or strategy for implementing change (Fernandez and Rainey 2006). The PCS faced 'resistance' from both the civil servants as well as the decision-makers (R2). An official responsible for the formulation and coordination of the PCS pointed out that a large majority of the civil servants did not accept the reforms and complained that the PCS brought in changes that made the jobs 'unstable because of the requirements of all those criteria of the PCS' (R21).

### **8.3 Forms of interaction between incremental and transformational reforms**

This section examines the dynamics of the PCS based on the type of reforms each of its components fit under, that is either as normal policy making (incremental reforms) or as paradigm shift policy (transformational reforms). The notion of normal policy making and paradigm shift policy has been particularly helpful in providing some insights about the dynamics of PCS and its application in a hybrid Bhutanese public administration. These concepts are based on Hall's (1993) work on paradigms in public policy making where he identifies three levels of order of change: the first and second order changes are classified as "normal policy making" and the third order change as "paradigmatic change" policy. According to Hall (1993, 280), normal policy making displays features of 'incrementalism, satisficing and routinised decision making', whereas paradigmatic change reform is more 'problematic' and is likely to involve 'accumulation of anomalies, experimentation with new forms of policy and policy failures that precipitate a shift in the locus of authority over policy and initiate a wider contest between competing paradigms'.

#### **8.3.1 Normal policy making or incremental reforms**

Generally the normal policy making components of the PCS did not face major challenges in their implementation in Bhutan. These set of reforms made incremental changes to the Bhutanese civil service. A majority of reforms are often either incremental changes or improvements made to the existing system. Incremental reforms, in general, result in positive outcomes towards getting the job done (Andrews 2013). An area where the PCS was generally quite successful was in the implementation of the recruitment, selection and promotion component, with only minor problems occurring. One of the problems pertained to the open competition selection process, where there were complaints about not being able to select people with the right qualifications. Another problem was that promotions were still based on completion of the minimum years of service required in a particular position rather than on performance. Nonetheless, civil servants were quite satisfied in general with the open competition system saying that it was fair and gave everyone an equal opportunity to apply for a position. Similarly, the HRD component of the PCS was also perceived as a success, and it provided opportunities to enhance skills and qualifications. An area

where there were some mixed results was in the classification of positions and occupational groups and the performance management system. On one hand the PCS did not change dramatically from the Cadre System, deviating only slightly from the grading system prevalent then, which in hindsight was a fairly good transition strategy. So in that respect it was moderately successful.

The major occupational groupings were also fairly comprehensive and covered a range of occupations. Some problems that emerged were mainly due to the specifics of the description of the jobs and the ability and knowledge to perform the job. One reason for the problem was that the positions were not adequately described by the agencies, thus failing to correctly specify the responsibilities to be performed. The other reason is partly that the lack of clear understanding of what the organisations are required to do rendered the organisations unable to predict the work outputs. Similarly in the case of the PCS in Bhutan, there were clearly issues regarding the identification of performance targets and the setting out of individual objectives. The inability to identify organisational goals also trickles down to the individual level and makes it difficult for any sort of performance evaluations to be conducted effectively.

### **8.3.2 Paradigm shift policy or transformational reforms**

Before the introduction of the PCS in 2006 and democracy in 2008, the public administration in Bhutan possessed characteristics of the TPA paradigm and some aspects of the patronage system which was a remnant of Bhutan's strong monarchical traditions. With the introduction of the PCS, while some of its core components such as the occupational groupings and the recruitment and selection systems were still mostly TPA in nature, the performance management component was largely influenced by the NPM paradigm with a strong focus on outputs. Previously, we saw that the NPM paradigm is largely a derivative of combinations of characteristics of the economic market model and market-driven styles of management. It is based on economic ideas such as competition, incentive structures and consumer choice, and the market-driven style of management which emphasizes features such as contracts, performance targets and customer service. Under the NPM, allocation of resources and rewards was closely aligned to measured performance (Hood 1991) and involved a shift in the awarding of

incentives to an emphasis on pecuniary-based performance incentives (Dunleavy et al. 2006).

The components of the PCS which were successful were those that fit within the TPA framework. Those that did not fit the TPA framework, such as in the case of the performance management system that emphasized the NPM output-based performance, however, were not as successful. The PCS through the performance management system and the remuneration and benefit components tried to bring about a change in the professional ethos by focusing on an output orientation by aligning organisational objectives to individual outputs. In attempting to do so, there were caveats in the process, for example the emphasis on an individualistic performance appraisal system, which brought to the fore the mismatch between the performance management system and its application within the context and culture of the Bhutanese public administration system. The importance of the institutional context and national culture within which public sector reforms, particularly in the case of NPM, are applied has been stressed by numerous researchers (for example, Brandsen and Kim 2010, Capano 2003, Common 2001, Hajnal 2005, Halligan 2001, Pollitt and Bouckaert 2011). Pollitt and Bouckaert (2004, 39) argue that accounts of public sector reforms tend to over-emphasize the characteristics of the reform instruments and ignore the importance of contextual differences in public sectors, even though there is enough evidence to support the fact that 'implementation habitats' make a huge difference in the effects of the reform. The assumption of the 'universal applicability' and 'unilinear development trend' of NPM as the 'one best way of modern public administration' has also been identified as problematic because it ignores the permanent and deeply rooted differences in national reform paths and patterns of various countries (Hajnal 2005, 496). Experiences in the adoption of NPM reforms, particularly in non-Anglo-Saxon countries, reveal that the significance and application of the instruments vary (Brandsen and Kim 2010, Capano 2003, Torres 2004).

#### **8.4 Contexts that public sector reforms are applied within**

The fact that very little contextual study of the systemic issues and how to situate the PCS within the Bhutanese civil service has been conducted provides an opportunity to study why reforms do not work within particular frameworks. Based on experiences of

institutional reforms in developing countries, Andrews (2013) argues that contexts, which manifest in historical narratives, affect many institutional reforms. Andrews (2013, 41) also concludes that 'failures often result from the impact of stubborn contextual constraints that are not effectively considered in most reform designs'. In the Bhutanese case, the failure of the performance management system of the PCS reflects the importance of contextualising public sector reforms. It particularly helps in providing a broad context within which public sector reforms operate, and emphasizes the importance of understanding the political or institutional and economic contexts. Before moving on to discussions on the political and economic contexts, it must be remembered that Bhutan is a small nation-state with approximately 700,000 people, and with the size of the civil service at 24,000 as of 2012 (RCSC 2013). Wallis (2004, 223) notes that studies have shown that 'administrative systems of small states have distinctive features arising from having small populations and other factors such as vulnerability to intervention from larger states, and economies that are highly dependent on outside forces'. Other studies on small states (for example Brown 2010; Kattel et al. 2011; Randma-Liiv 2010) also points to various contextual and cultural differences of small states as opposed to larger states. One of the main differences is a culture of personal relationship within the public administrative system and also a limited pool of skilled human resources. The effects of a culture of personal relationships can be observed when we examine the implementation of public sector reforms within the cultural context.

#### **8.4.1 Political context**

Within the political and institutional contexts, at the time work on the PCS started in the year 2000, it was an era of a culmination of various political changes. The most significant development was the devolution of powers in 1998 by the king to ministers elected by the parliament. The decentralisation efforts and corporatisation of many state-owned enterprises started in the late 1980s and by the early 1990s were stabilised and some of the mega-hydropower projects were reaping large revenues for the country. Nevertheless, despite these efforts, the civil service in Bhutan was largely centralised and hierarchical, with the RCSC playing a prominent role as the central personnel agency. Studies have shown that in countries that are changing societies with 'colonial imprint in the form of a strong bureaucracy coupled with the post-colonial moves



towards indigenisation' were obstacles to NPM adoption which was based on neo-liberal ideologies (Common 2001, 222). Furthermore, devolution improvement is an important pre-condition for the successful implementation of performance management-related reforms (Torres 2004). Pollitt and Bouckaert (2004, 43) also point out that 'all other things being equal, reforms in highly decentralised states (whether they be unitary or federal) are likely to be less broad in scope and less uniform in practice than in centralised states', and the 'central governments in centralised states tend to be more heavily involved in the business of service delivery than do central government of decentralised states'.

Countries react to public sector reforms differently based on their political context. In a study conducted by Gualmini (2008) of public sector reforms in six countries (France, Germany, Italy, Spain, UK and US) a couple of differences can be identified based on the clear divide between two clusters of bureaucratic systems in the 1980s and 1990s. Gualmini (2008) concludes that managerial reforms have been consolidated mostly in the UK and US, and that transition to 'entrepreneurial form of bureaucracy' has been slower and less clear cut in the remaining European countries. Where public administration systems are characterised by organisations with a restricted degree of autonomy, and with stable and cohesive government coalitions, they have been able to introduce radical reforms; as opposed to public administration systems with highly institutionalised organisational culture based on a strong degree of legalism and formalism, which have acted as a barrier to changes from outside (Gualmini 2008). In another country study, Askim et al. (2010, 234) point out that in the application of NPM-related reforms in Norway, the process of goal setting is 'ambiguous and partly conflicting', which was not necessarily a weakness. This was because the Norwegian political-administrative system is a 'collaborative decision-making style and consensus-oriented culture and reflected the democratic mode of steering in a pluralistic society' (Askim et al. 2010, 234).

The differences in the implementation of public sector reforms are also quite different in the Asian context. Although Cheung (2005, 258) cautions us not to overgeneralise or overplay local uniqueness, public sector reforms in Asia are 'noted for their features of nation building and state-capacity enhancement which have been motivated by national politics as much as by external inspirations'. Additionally most Asian countries have

also inherited 'centralised and hierarchical bureaucratic systems' originating from the systems of control devised by former colonial powers or that are products of a search for national unity and social order (Cheung and Scott 2003, 7). Further, many developing countries also became democracies in the 1980s which involved establishing traditional political institutions and improving the legitimacy of public administration in an environment where 'contextual factors tend to undermine the performance of public institutions' (Andrews 2008, 171).

#### **8.4.2 Economic context**

The disjoint in the rhetoric of the performance management system and in its implementation in Bhutan can be attributed to various factors. The foremost among them is the resource mobilisation factor which in Bhutan's case was highly uncertain and therefore made it highly challenging to determine performance. In the review of the PCS previously, we observed that civil servants in Bhutan were only filling out the comprehensive performance evaluation forms as a procedure rather than as a tool for assessing performance. This is a syndrome that is observed in most developing countries. The dependence on donors for assistance and the conditions set by most international institutions limit an organisation's ability to define and control programs and activities (Grindle 1997). Another key factor was the strong emphasis on hierarchy and as well as a firm focus on inputs and the need to follow standard operation procedures in the Bhutanese civil service, which are prominent characteristics of the TPA. Only recently, performance compacts have been developed in Bhutan and signed with agencies establishing some form of accountability. These performance compacts are only recent developments and are still yet to be effectively implemented. Similar to most developing countries, the Bhutanese government still operates within tight budgetary constraints. The revenue generated within the country comprises approximately 50% of the GDP and is only sufficient to meet current expenditure. For its capital expenses the government continues to depend on grant and aid from international institutions and bilateral donors. Another important constraint that the PCS operates within is the labour market in Bhutan. An official pointed out that the labour market in Bhutan was small and was not adequately developed to cater to the requirements of the system (R3).

As with the political context, the economic context also affects the way in which paradigm shift reforms are played out. In the last few decades, the 'hegemonic forces of economic liberalisation, global capitalism and democratisation' have influenced the context of governance reform movements where the 'market' is the 'primary organizing principle of societies' with a 'downsized government that provides basic services' through a 'combination of direct provision, contracting out and partnership with civil society' (Brinkerhoff and Brinkerhoff 2002, 512). Economic and budgetary restraints also affect 'external and endogenous determinants of organisational change' and, amongst other factors, changes in economic development and economic institutions also influence patterns of administrative reform (Wise 2002, 556). The manner in which public sector reforms react in different economic contexts can be observed in various countries. For instance, Torres (2004, 109–110) points to differences between the Anglo-American and the European continental countries' public administrations is that the former is based on 'market-oriented reforms and the management of human resources', and that the 'Anglo-American NPM model challenges the traditional core concept of a "good public sector" in the Nordic countries, the German-Prussian civil obedience to government in the Germanic countries, and the idea that public sector should watch over "public interest" in the Southern European countries'. The enthusiasm for NPM-related reforms has also waned in former communist states in Europe and there is now a realisation that 'each country has to recognize its own potential and find its own way and not copy business methods and the NPM reforms from the West' (Askim et al. 2010).

Similarly, in the adoption of NPM reforms in Asian countries, Cheung and Scott (2003, 12) point to the 'fundamental inadequacies of a NPM paradigm' which emphasize market rather than the state. They argue that NPM is the misfit between the logic and socio-political realities of East and Southeast Asia where state institutions have always dominated the market as a 'locomotive of governance and public sector reforms' (12). Similarly, in developing countries the experiences of implementing public sector reforms are different from the developed nations (Andrews 2008, Jones and Kettl 2004, Nolan 2001). Schick (1998) warns that developing countries should be aware that implementing NPM reforms required certain important preconditions, such as the presence of an advanced market sector as opposed to a large informal economy. Baker (2004, 43) contends that the different context between the developing and developed

worlds are attributable to the 'different levels of tolerance and expectation of the state, and differing state capacity and resources', and that NPM, in particular, is more orientated towards the 'cost cutting, tax reducing concerns of the developed states, rather than the equally important concern of developing states for capacity building and development'. The UN (2005) study reports that the assumptions of 'institutional monocropping' which has been defined as 'the transfer of Western blueprints and models as if they were relevant to all times and places' describes the inappropriateness of NPM solutions to the problems of developing countries. They argue that the stage of development of a country is critical for the effective implementation of a reform. For example, to introduce NPM-related reforms, the country must first institutionalise the principles of traditional public administration such as reliability, continuity, equity, probity, accountability and due process.

In a World Bank study conducted by Bunse and Fritz (2012), they stress the importance of political economy factors that favour and hinder public sector reforms. Some of the factors that Bunse and Fritz (2012, 21) identify which hinder public sector reforms, particularly in developing countries are:

Disincentives for political decision-makers to reduce rent seeking and privileges enjoyed by individual and groups whose support they rely on, the potential cost or pursuing reforms against bureaucratic resistance, and the fact that political time-horizons are shorter than the time needed for most public sector reforms to yield tangible benefits.

## **8.5 Cultural dimensions**

In studying the application of the PCS into the Bhutanese public sector, we saw that an understanding of the local context was important. Another important factor that is essential to understand is related to the culture and values of the public administration system, and how the reforms operate within this cultural context. There is a realisation that the study of the culture of a country is important in most social science disciplines. In recent years, culture has been one of the 'research constructs' in areas such as management, psychology, accounting and marketing (Taras et al. 2012, 329). In the field of public administration, Pollitt (2006, 26–8) agrees that national cultures and

institutional patterns influence the 'way things are done', and that generic models and techniques, such as performance management, are adapted within different cultural settings. The study of culture becomes even more relevant when assessing policy transfers of public sector reforms. Often the culture between the countries where the reform is borrowed from and where it is being implemented is quite different, thus affecting the meaning and the outcome of the reform. In the past several years, as public administration and management discussions are getting international attention, public management reform literature has become 'culture-aware', and a precondition for better consideration of cultural elements in the reforms is a better understanding of culture (Schedler and Proeller 2007, 4). Particularly in the case of NPM, the study of culture has become essential. This is because the NPM implicitly assumes 'cultural homogeneity' and does not differentiate between different cultures (Bouckaert 2007, 32). A few examples illustrate the point of NPM's focus on cultural differences. One of the characteristic features of NPM is management by objectives, which works well in a culture with low power distance, weak uncertainty avoidance and high masculinity on the Hofstede scale. Pollitt (2005, 28) argues that countries with cultures with high uncertainty avoidance and collectivism values are more likely to be less acceptable to the 'individualistic aspects' of NPM-type reforms. Bouckaert (2007) points out that Germany and France, which have different cultures from Anglo-Saxon countries, faced challenges with management by objectives reforms. Similarly, the introduction of a performance management reform into a system with a traditionally hierarchical structure may have a greater symbolic value as opposed to its introduction in a more egalitarian culture which may be simply regarded as only a technical adjustment as a human resource management tool (Brandsen and Kim 2010, 372). Studies (for example, Islam 2004) also show that in parts of Africa and Asia collectivist cultural traditions that conflict with formal bureaucratic institutions influence the ethical performance of civil servants. Therefore when assessing the impact of the PCS reforms, which are based on best practices of other public sector systems in other countries, it makes sense to examine Bhutan's culture and its interplay with public sector reforms.

Before we assess the values for Bhutan's public sector, it will be important to determine what exactly "culture" means. Schedler and Proeller (2007, 4-5) contend that in empirical social science the broad definition of culture is hard to grasp and difficult to operationalize, and the concept of culture attempts to explain differences in the

behaviour of diverse groups of actors in situations that are objectively alike. In drawing a linkage between the study of culture and organisations, they come up with four approaches that are not mutually exclusive to one another: sociocultural approach, culturalist approach, neo-institutionalist approach and functionalist approach. Generally in the field of public administration, the functionalist theories have found many followers because many reforms programs address the need for a change of culture and depict a vision for the administrative culture that is desired (Schedler and Proeller 2007). However, in such an approach there is, as Bouckaert (2007, 39) points out, a question if culture is 'the chicken or the egg' of reform, and whether or not to change culture first and then reform, or first reform and then to change culture. We shall see that this question is at issue when considering the adoption of the PCS in Bhutan, as it in certain ways tries to imbibe into the system a culture of performance. Bouckaert (2007, 32) also offers a layered vision of culture, comprising of the macro, meso, micro and nano approach of culture in perspective of public sector reforms. These approaches mainly differ in what they use as the unit of analysis. At the macro level the unit of analysis is the society, at the meso level it is the administrations and professionals, at the micro level it is the organisation and at the nano level it is the offices within the organisations or particular job clusters. For the purposes of the current thesis, I look at culture more at the macro and meso levels. And Bouckaert (2007, 30) suggests that Geert Hofstede's Value Survey Module (VSM), which uses organisational theory and psychology to describe his models and dimensions for his survey, examines culture from a meso level with reference to the macro level.

### **8.5.1 Hofstede's cultural dimensions and Values Survey Module (VSM 2008)**

Based on the experience and feedback from the pilot survey conducted in early 2011 which used a number of variables to examine the culture of Bhutan, it was found that using Bhutanese values was confusing. Other researchers who have done research on Bhutanese culture and values have also faced similar problems. For instance, Whitecross (2008) examines the Bhutanese value of *tha damtshig* and its role in the creation of a sense of moral identity among contemporary Bhutanese. Whitecross (2008, 77) contends that *tha damtshig* is 'not an easily defined concept' and it can simultaneously mean an ideal that is to be striven for, a practice demanding full awareness of one's social status, and actions linking it with good manners. Furthermore,

using strictly Bhutanese values is problematic when conducting cross-country comparisons as it is difficult in coming to a common understanding of the Bhutanese values' meanings. While there have been some studies on Bhutanese values such as the Bhutan National Values Assessment conducted in 2007 by the International Center for Ethnographic Studies in partnership with the Barret Values Centres, the Centre for Bhutan Studies, East Tennessee State University and the Brimstone Grant for Applied Storytelling (see Evans 2008 for more details), Hofstede's cultural dimensions allow for a meaningful comparison against those countries where aspects of PCS were seen to have been borrowed from, countries such as the US, Australia, New Zealand, Singapore, Thailand and Philippines. Additionally, Hofstede's study allows for comparison of generic values. Therefore, using Hofstede's Value Survey Module is helpful in mitigating problems based on cross-country comparisons.

Hofstede's multidimensional cultural model originates from his analysis of 116,000 survey questionnaires of IBM employees in 72 countries (Minkov and Hofstede 2011). Hofstede argues that these dimensions of national culture help in explaining national differences in work-related values, beliefs, norms, self-descriptions and societal variables (Minkov and Hofstede 2011, 11). Hofstede's VSM 2008 database did not include Bhutan, and therefore scores had to be generated for each of Bhutan's cultural dimensions using the VSM 2008 survey. The VSM questions were included in the main PCS survey that was conducted as a part of the thesis (for more details, refer Part II of the survey in the Appendix II). To make meaningful comparisons with cultures of other countries based on the VSM, Hofstede recommends that the study should be 'anchored' by including at least one new sample from one IBM country (Hofstede 2001, 464). This process would allow the effect of the change of sample on the scores of the IBM country to be measured and to correct the score for Bhutan for this effect. According to Hofstede so long as the participants represent a homogenous group the findings should provide an insight to the nation's culture. Thus for the purposes of anchoring, 75 public servants from various parts of Australia were also surveyed (refer Appendix III for a list of agencies with the number of respondents). These included public servants from 27 agencies within state and federal Australian governments. The majority of the respondents in Australia belonged to the 40–49 year age group (28%), 47% of them were female, and a majority of the respondents had a bachelor's degree qualification (59%).

One of the major criticisms of Hofstede's model has been in its assumption that culture does not change. Some of the other criticisms are directed at the uni-organisational design, small samples representing some countries, the age of the data, and overlooking the growing intra-national diversity in many countries (Fang 2010; Tung and Verbeke 2010; Taras et al. 2012). Hofstede refutes some of the criticisms and clarifies that although his data are old they reflect stable national differences, and that although cultures evolve they tend to move together in the similar cultural directions retaining the cultural differences (Minkov and Hofstede 2011, 12–13). Despite the criticisms, Tung and Verbeke (2010, 1259), acknowledge that Hofstede's work on culture is immensely popular; and Minkov and Hofstede (2011, 17) argue that the popularity of the model is because of its coherence and predictive capability rather than an attempt to prescribe one absolute model. Fang (2010, 158) supports this claim and states that the strength of the Hofstede model is in its clarity and consistency in the identification of cultural differences and facilitation of cross-cultural comparisons.

In the survey that was first conducted in 1980 by Hofstede, four main values were assessed—Power Distance Index (PDI), Individualism Index (IDV), Masculinity Index (MAS) and Uncertainty Avoidance Index (UAI). In the 2008 survey, the value Long-term Orientation (LTO) was also included to incorporate values that resonate with Asian cultures. Two other values have also been included in the 2008 survey, Indulgence Versus Restraint Index (IVR) and Monumentalism Index (MON). However, most of the studies that use Hofstede's work mostly focus on five dimensions of culture, that is, PDI, IDV, MAS, UAI and LTO. In this thesis too, I examine Bhutan's culture based on these five main dimensions. Before we look at some of the broad organisational characteristics that Hofstede attributes to each of these dimensions, it will be pertinent to look at what each of these dimensions mean according to the Value Survey Module (VSM) 2008 Manual (Hofstede et al. 2008). PDI is defined as the extent to which the less powerful members of institutions and organisations within a society expect and accept that power is distributed unequally. IDV stands for a society in which the ties between individuals are loose and a person is expected to look after himself or herself and his or her immediate family only; whereas collectivism stands for a society in which people from birth onwards are integrated into strong, cohesive in-groups, which continue to protect them throughout their lifetime in exchange for unquestioning



loyalty. MAS stands for a society in which social gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success; women are supposed to be more modest, tender, and concerned with the quality of life. Femininity stands for a society in which social gender roles overlap: both men and women are supposed to be modest, tender, and concerned with the quality of life. UAI is defined as the extent to which the members of institutions and organisations within a society feel threatened by uncertain, unknown, ambiguous, or unstructured situations. LTO stands for a society which fosters virtues oriented towards future rewards, in particular adaptation, perseverance and thrift. Short-term orientation stands for a society which fosters virtues related to the past and present, in particular respect for tradition, preservation of “face”, and fulfilling social obligations.

Table 13 summarizes some of the key differences between the dimensions of culture in relation to the work organisations. Generally for those countries with low PDI as opposed to high PDI, their organisations tend to have flatter decentralised decision structures, with less concentration of authority and a more consultative leadership pattern. Similarly organisations in countries with high UAI give more emphasis to factors such as seniority and company loyalty. These organisations are also more likely to resist change, have an ideological preference for group decisions and strictly adhere to company rules. In organisations with low IDV, managers give importance to conformity and orderliness and employees have a low public self-consciousness. In addition, employees also avoid direct confrontation and give importance to maintaining harmony in the work place. Organisations with high MAS stress equity, mutual competition and performance as opposed to those with low MAS where the emphasis is on equality, solidarity and quality of life. In organisations with high MAS, managers are treated as heroes and are expected to be decisive, firm and just. With respect to LTO, organisations with high LTO are expected to focus on building relationships and market position rather than on the bottom line. In low LTO organisations, traditions are treated as sacrosanct and they also practise virtues such as social consumption, whereas in high LTO organisations, traditions are adaptable and virtues such as frugality and perseverance are taught.

**Table 13 Key differences between the cultural dimensions**

<b>Low PDI</b>	<b>High PDI</b>
Decentralised decision structures; less concentration of authority	Centralised decision structures; more concentration of authority
Flat organisation pyramids	Tall organisation pyramids
Hierarchy in organisations means an inequality of roles, established for convenience	Hierarchy in organisations reflects the existential inequality between higher-ups and lower-downs
Managers rely on personal experience and on subordinates	Managers rely on formal rules
Consultative leadership leads to satisfaction, performance and productivity	Authoritative leadership and close supervision lead to satisfaction, performance and productivity
<b>Low UAI</b>	<b>High UAI</b>
Lower average seniority in jobs	Higher average seniority in jobs
Company loyalty is not a virtue	Company loyalty is a virtue
Managers should be selected on criteria other than seniority	Managers should be selected on basis of seniority
More ambition for advancement and management positions	Lower ambition for advancement and preference for specialist positions
Individual decisions, authoritative management, competition among employees acceptable	Ideological preference for group decisions, consultative management, against competition among employees
If necessary, employees may break rules	Company rules should not be broken
Less resistance to changes	More resistance to changes
Weak loyalty to employer; shorter average duration of employment	Strong loyalty to employer, long average duration of employment
Top managers involved in strategy	Top managers involved in operations
Power of superiors depends on position and relationships	Power of superiors depends on control of uncertainties
<b>Low IDV</b>	<b>High IDV</b>
Harmony should always be maintained and direct confrontation avoided	Speaking one's mind is a characteristic of an honest person
Low public self-consciousness	High public self-consciousness
Managers stress conformity and orderliness	Managers stress leadership and variety
<b>Low MAS</b>	<b>High MAS</b>
Meaning of work for workers: relations and working conditions	Meaning of work for workers: security, pay and interesting work
Stress on equality, solidarity and quality of life	Stress on equity, mutual competition and

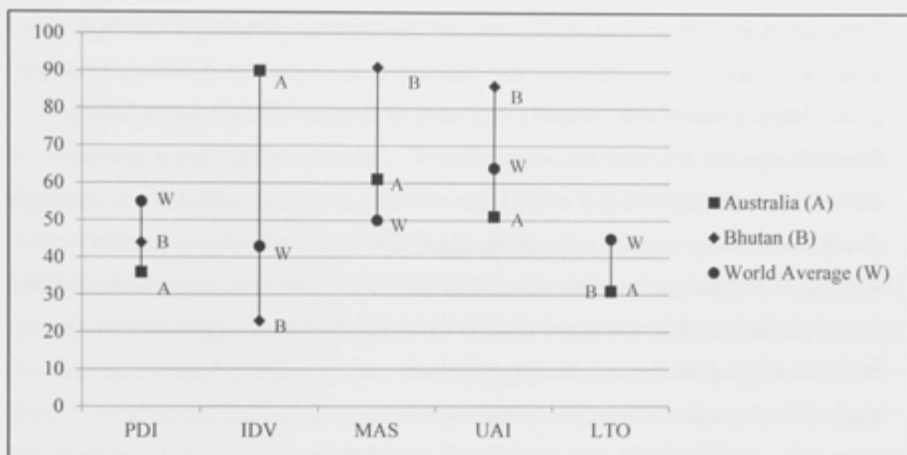
	performance
Managers are employees like others	Managers are culture heroes
Managers expected to use intuition, deal with feelings and seek consensus	Managers expected to be decisive, firm, assertive, aggressive, competitive, just
Successful managers seen as having both male and female characteristics	Successful managers seen as having solely male characteristics
<b>Low LTO</b>	<b>High LTO</b>
Family and business sphere separated	Vertical coordination, horizontal coordination, control and adaptiveness
Meritocracy: economic and social life to be ordered by abilities	People should live more equally
In business, short-term results: the bottom line	In business, building of relationships and market position
Traditions sacrosanct	Traditions adaptable to changed circumstances
Short-term virtues taught: social consumption	Long-term virtues taught: frugality, perseverance

Source: Hofstede (2001)

### 8.5.2 Bhutan's values and cultural dimensions

In studying the implementation of the PCS into the Bhutanese public sector, it is essential to understand the culture and values of the Bhutanese civil service, and how the reforms operate within this cultural context. This is especially true when examining policy transfer issues with regard to the PCS as officials and international advisors/consultants looked towards practices in various countries and systems. Quite evidently the PCS was perceived as an attempt to bring in the best practices of civil service systems from other countries. A useful aspect of Hofstede's VSM is that allows for meaningful comparisons with other countries on the same values to be made. Comparisons are made with those countries that have been mentioned in the interviews with those involved in the reform formulation process. The obvious countries are where consultants associated with the PCS were from, that is, United States, New Zealand and the Philippines. Other countries that some of the committee members involved in the formulation visited were Australia, Singapore and Thailand. India is also included in the comparisons because the system prior to the PCS was closely associated with the Indian Administrative System. Figure 12 shows the scores for Bhutan for each of the five dimensions compared with Australia and the World Average, which was derived using

the latest data available from Hofstede's website ([www.geerthofstede.com](http://www.geerthofstede.com)). While the individual scores *per se* are meaningless, they provide a basis of comparison of the values. Calculations for the scores were based on the instructions prescribed in the VSM 2008 Manual for each of the seven dimensions.<sup>14</sup>



**Figure 12 Cultural Dimensions for Bhutan**

**Power Distance Index (PDI):** Bhutan has a medium level of PDI, below the world average level. According to the PDI score, what this means for Bhutan is that there appears to be a fairly equal distribution of power. It is slightly below the world average, and in general, is lower than those of most of the Asian countries (for example, India (77), Philippines (94), Singapore (74) and Thailand (64)) that it is being compared against. The PDI for Bhutan is slightly higher than it is for countries such as Australia, the US (40) and New Zealand (22). Matching the PDI to the nature of public administration in Bhutan and the PCS reforms, the medium level of power distance fits the bill of the bureaucratic characterisation of the Bhutanese public administrative system. The hierarchical levels in the Bhutanese civil service and the respect for

<sup>14</sup> I sent the values for each of the cultural dimensions to Geert Hofstede for comments. In his reply dated July 16, 2013, he commented: 'your scores for power distance and collectivism are as I expected; I was surprised by the high masculinity score (almost as high as Japan), knowing that for example Tibet in a recent study scored feminine. The uncertainty avoidance score is at the level of Korea, and the short term orientation is at the level of Thailand; both are possible'. Based on the feedback from Hofstede, I will attempt to cross check the MAS scores for Bhutan at a later date, but in the meanwhile I use the other scores to make my arguments for the cultural contexts of Bhutan in the thesis.

authority are prominent features. The high PDI orientation also impacts the levels of hierarchy in the public sectors in some other South Asian countries too. For instance in Pakistan, the public service is a pyramidal structure grouped in 22 grades, and there is prevalence of a 'tradition of sycophancy' in the government with the subordinates either trying hard to please their bosses or being afraid of them (Islam 2004, 320). In recent times, with the movement to incorporate a certain amount of competition in the Bhutanese public sector through out-sourcing of activities, not having a very high PDI would allow for a post-bureaucratic and competitive government too. Generally in low power distance countries the more participative work units will be more inclined to favour change and reform than less participative work units and the lower power distance of these countries will allow for more active participation to reforms, creating a dynamic ownership with the reform (Bouckaert 2007, 49). In Bhutan respect for seniority and status are important cultural values for civil servants. A respondent to the survey pointed out that, as a senior civil servant without adequate qualifications, the PCS with its qualification criteria ignored factors such as 'sincerity' and 'dedicated service' for promotions and opportunities to compete for posts through open competition (RH13). While the principle of vested rights was enforced, it only protected the civil servants from not being adversely affected by the PCS, but this principle did not leave room for positive benefits. A major criticism of the PCS was the trend of professionals and highly specialised civil servants to move towards more general positions, resulting in the loss of specialised skills. Much of this has, as a senior executive in the Bhutanese civil service explained, to do with the importance accorded to a status conscious society:

There is a lot of power and pomp associated with being a secretary to the government and has a lot of authority; whereas the specialists have none of these benefits. Thus people do not opt to join the specialist category (R14).

**Individualism Index (IDV):** Bhutan scores very low in IDV, which means that it is a collectivist society. A low IDV score shows that Bhutan's society is very communal and is integrated into strong groups. The smallness of the society, both in terms of population and familial relationships, may also be a reason for such a strong score on collectivism. Findings by Evans (2008, 101) also show that one of the top values favoured by the Bhutanese is 'friendship' and that support and connection with others is

important. A clear distinguishing pattern between the countries in comparison stands out between the Asian nations and the Western nations. Asian countries such as India (48), Philippines (32), Singapore (20) and Thailand (20) have lower IDV scores than Australia (90), New Zealand (79) and the US (19). Such a distinction in culture is also noted by Sastry and Ross (1998, 102), who state that Asian cultures are 'more collectivist' than Western cultures. Islam (2004, 321) also supports this statement and argues that in Pakistan, for example, individualism particularly in the rural areas, was almost non-existent and an individual was 'an inalienable part' of multiple groups who dominated the individuality of a person. An official in the formulation of the PCS pointed out that the perception of the civil servants was that the PCS, particularly the performance management system, promoted the values of 'individualism and competition, which are values that most Bhutanese are not familiar with' (R11). The unfamiliar values made it difficult for managers in the civil service to implement the performance management system. The smallness of the society, physical as well in terms of degrees of association, where maintaining healthy relationships both in the professional as well as personal space is important, it made it challenging for managers to judiciously review performance, especially when it came to reviewing people critically. As the international advisor to the PCS observed: 'the whole thing around culture and the way that things are done in Bhutan is about relationships; it is also about who you know ... and ... it is difficult to feel safe talking about performance' (R22). Another official also commented that implementing the performance management system required a major cultural shift—where the boss and subordinate sat down together, 'candidly talking about performances' (R11). A key factor that affected the direct implementation of the PCS, as explained by an official responsible for implementing the PCS, is because of the small society in Bhutan that makes it difficult to differentiate professional space from personal space (R6). The international advisor to the PCS also acknowledged the lack of understanding of the cultural differences particularly on something 'as sensitive as performance', which cannot be dealt with a 'Western way' (R22). A direct impact of the culture of maintaining good relationships, where it is inhibiting the identification of performers from non-performers, and also reflective of the fact that the change in mindset has not occurred yet, is in the high volume of submissions for merit-based promotions that RCSC receives.

**Other dimensions:** Bhutan's score on the dimension comparing masculine versus feminine (MAS) is high and is above world average. What the scores mean for Bhutan is that it is a masculine society that values attributes such as assertiveness, toughness, focused on material success rather than modesty, tenderness and quality of life. Bhutan's scores are surprisingly high compared to other countries. Most countries that are being compared have relatively higher scores than the world average in terms of MAS except for Singapore (48) and Thailand (34). Generally, in cultures with high MAS scores the dominant value is fight for success, which is reflected in a merit-based reward system and in feminine systems, and the dominant values are quality of interpersonal relations and a focus on quality of working life (Bouckaert 2007). Bhutan scores very high in Uncertainty Avoidance Index. The high UAI scores reflect Bhutanese people's cautious nature. Findings from Evans (2008, 104) also show that 'caution' features as one of the top three predominant personal values. Relatively, the other countries in comparison have lower UAI scores with Singapore (8) having the lowest UAI score. Bhutan's score on long-term orientation is again fairly low. Although one would expect that Bhutan would have a high LTO given that is a Buddhist society, short-term values such as respect for tradition, preservation of "face" and fulfilling social obligations overshadow to a great extent long-term values such as perseverance and thrift. India (61), Singapore (48) and Thailand (56) generally have higher LTO scores than countries such as Australia (31), Bhutan (31), New Zealand (30), Philippines (19) and the US (29).

### **8.5.3 Importance of culture for the implementation of PCS**

Discussions on the importance of culture and public sector reforms conform to the theory that successful reforms are 'culturally sensitive' and that there should be a match between rules, identities and situations (Thoenig 2003, 133). Brandsen and Kim (2010, 370) note that 'cultural differences' encourage states to focus on a particular NPM-inspired reform; how successfully reforms are operationalized will differ depending on the attributes of the system. In the policy transfer aspects of the PCS, the contexts and cultures of the countries where officials and international advisors and consultants looked for examples of best practices and how they were adapted or not adapted to suit the Bhutanese context is pertinent. One of the key officials responsible for the formulation of the PCS stated that the PCS was perceived to have brought the best

practices of civil service systems from other countries, particularly the 'West'; however, these practices came embedded with certain values (R11). In many ways, introducing the PCS was also meant to change aspects of the culture, or to bring in a certain desired culture. As the international advisor commented, 'there are cultural things you need to be aware of and to respect but at the same time you also need to challenge and stretch people otherwise change would not happen' (R22). One of the major desired changes was to find a way of acknowledging performance in the system.

Towards introducing change in Bhutan's civil service through the PCS, the findings of the study based on Hofstede's VSM 2008 reveals the impact of Bhutan's culture on the implementation of the PCS. For instance, Bhutan's medium level of PDI shows that there is a fairly equal distribution of power between the managers and their subordinates. The culture of a medium level of PDI did not clash with the hierarchical reinforcements of the PCS through its classification of positions and occupational groupings component. Where there were clashes between the culture and the PCS was in the values of IDV and introduction of the performance management system component of the PCS. The performance management system of the PCS required employees to conduct a self-rating and there was also the requirement to have a face-to-face evaluation between the manager and employee. Such performance measures, which were based on performance management systems implemented in countries with high IDV scores, could not be implemented in Bhutan as envisioned. Bhutan's highly collectivist culture means that the society is communal and integrated into groups with strong relationships. This collectivist culture exacerbated the implementation of the performance management system of the PCS as it made it a major challenge for the managers to objectively evaluate the staff. Managers in the Bhutanese civil service complained that it was difficult to operate within a social context where everyone knew each other both within the professional and personal space. With the performance management system being integrally linked to personal benefits to the employees in terms of promotions, training and other opportunities, it made it even more challenging for the managers to separate the personal from the professional space.

Another cultural factor that impeded the overall implementation of the PCS is Bhutan's high UAI scores, which reflect the cautious nature of the Bhutanese people. The management of the change of the system from the Cadre System to the PCS provides



insights as to whether or not adequate measures were taken for the civil servants to adapt to the new reforms, and along with it the cultures that are embedded within the reforms. Findings of the study demonstrate that adequate measures were not undertaken to ensure the smooth transition of such a major change to the civil service on account of the PCS. Firstly, there was a lack of involvement of the civil servants who, as key stakeholders, should have been thoroughly prepared for the changes brought on by the PCS. Secondly, the team responsible for introducing the PCS did not have a clear implementation strategy in mind. There was a lack of clarity in the initial implementation of the PCS, and the job-mapping exercise conducted after the implementation of the PCS was one such example. Finally, there was not enough capacity building initiative of the key officials responsible for implementing the reforms in the agencies. Much of the task of implementing and interpreting the PCS fell on a young and newly recruited group of HR officers. Therefore, for the successful implementation of the PCS, the civil service of Bhutan should have better prepared itself for such a major reform in terms of the cultural changes that were required, particularly the paradigm-changing components of the PCS such as the performance management system.

## **8.6 Consequence of the dynamics of PCS—hybridity in the Bhutanese public administration**

A consequence of the various dynamics of the PCS, discussed in Chapter Seven and this chapter, is the contribution towards a hybrid public administration with layering of various paradigms. As a rejoinder, Chapters Three and Four of the thesis concluded that public administration systems tend to exist in hybridity with combinations of characteristics from various paradigms and models of public administration. We need to be aware that the term “hybridity” in public administration could refer to any of the following: quasi-governmental organisations that exist at the interface between the public and private sector, the mixture of market and hierarchy, the combination of political advocacy and service provision, the mixture of different structural forms inside an organisation, or different cultural elements such as professional cultures in different parts of the government (Christensen and Lægreid 2011). For the purposes of the thesis, the “hybridity” in public administration that I refer to is best explained by the concept of Drechsler’s “paradigmtes”, which I argued earlier provided an insightful way to

examine the layering and creation of hybrids that takes place in public administration. We identified some of the paradigmettes that were either a combination of TPA, NPM and post-NPM concepts, or a combination of Western and Eastern paradigms, or a combination of aspects of public administrations in a developed country and a developing country. It was the third paradigmette, which was a corollary of the other two paradigmettes, that was identified as useful for the thesis when discussing the layering and hybridity of Bhutan's public administration. In the third chapter, we observed that Bhutan's public administration was a hybrid system layered with mostly TPA characteristics and traces of the patronage system, NPM and emerging models.

In this section, I argue that two key factors were responsible for the hybridity of the Bhutanese public administration on account of the PCS reforms. The first factor is when we compare the reality to the ideal, we see the hybridity of practice. In other words, when public sector reforms strive towards an ideal type, the challenges and the shortcomings in the policy towards the intended objectives lead to hybridity. Often public sector reforms fall short of achieving the intended objectives because of the manner in which they are formulated and implemented. While this conclusion is not new, and reforms with flaws in the policy design or implementation are often observed both in the practice and theory of policy studies, there are not many studies that link the causal effect of the successes and failures of public sector reforms to the nature of public administrative systems. The PCS has fallen short in the movement towards the objectives that it was set to achieve. Laking and Norman (2007) contend that administrative reforms are prone to failure with only a 39% success rate based on estimates produced by the World Bank's Operations Evaluation Department in 1999. Barzelay and Jacobsen (2009, 331) support this line of argument and state that 'implementation does not follow automatically from declaring the resolution of an agenda issue'. Such a disjoint between rhetoric and reality in recent years in Bhutan has also been observed in the organisational development (OD) exercise that was initiated in the year 2007 again by the RCSC following the introduction of the PCS. According to O'Flynn and Blackman (2009, 133), a bold initiative was attempted by the Bhutanese government to implement the OD exercise as a 'system-level change' and beyond just its typical use as a 'planned change approach'. The OD initiative, which was nearly as comprehensive as the PCS, was not approved for implementation by the government. O'Flynn and Blackman (2009), whose study was conducted while the OD exercise was

still being formulated, had warned of possible challenges and tensions in the implementation of the reform. Similarly with the PCS, a respondent to the survey pointed out the implementation challenges: 'While fundamental promise of PCS was good and sound, the implementing agencies failed in actual implementation; therefore there was a general feeling of resentment, discontent and apathy toward PCS system as a result' (RS2). Even during the formulation stage, the challenge was taking 'theory and trying to make it far more tangible, and we were trying to look at ways to make it more operationalized' (R22).

In the applicability of the PCS to Bhutan, one of the major criticisms of the PCS was that there was a mismatch between the PCS as a concept and the PCS in practice. Such shortcoming between ideal and practice is nothing new in public policy. That the public sector reforms *realities* are quite different from public sector reform *ideas*, Lane (1997, 1) contends, is common 'as there tends to be a huge distance between lofty theory and down-to-earth practice'. O'Toole (2004, 312) supports the disparity between theory and practice and points out that the 'theory-practice nexus is not a simple link in some translation belt from thought to action' and that it is unreasonable to expect theory to translate into a clear and uniform body of knowledge. Hernes (2005, 9) also points out that when 'organizing concepts are reproduced in an institution', the 'idealised practices' upset or threaten the existing set of arrangement which lead to 'certain degree of deflection'. The tension between theory and practice is further exaggerated when literature that was designed for Western and European countries is applied to non-Western countries (Welch and Wong 1998).

The second factor that caused the PCS to lead to hybridity in Bhutan's public administration is because of the type of public sector reforms, that is whether or not they are normal policy making or paradigm shift reforms. The impact of the reforms differs depending on the prevailing context and culture of the public administration. I argue that it is the challenges in the implementation of the paradigm shift reforms that forms the second factor as to why hybrid systems exist. Here the differences in the institutional context and the culture of the country where the public sector reforms are applied matters considerably. Clearly the public administration system of Bhutan at the time the PCS was introduced was predominantly TPA in nature with strong legal and politico-administrative frameworks with no traces of either the neo-institutional

economics or the market-driven management characteristics that underpin the NPM paradigm. In the previous chapter, we observed that the PCS did not substantially transform the Bhutanese public administration in relation to the ideal types. Except for the performance management system and the remuneration and benefit components of the PCS, three of the other main components did not demand radical changes. These three components of the PCS, that is, classification of position and occupational groups, recruitment, selection and promotion system, and human resource development, were identified as normal policy making. They only made incremental changes to the Cadre System and reinforced some of the TPA characteristics already prevalent in the Bhutanese public administration. The components of the PCS that attempted to shift paradigms were the performance management system and the remuneration and benefits components. It was intended that the performance management system through its emphasis on the management of outputs would differ from the TPA characteristics of focusing on inputs. The remuneration and benefits component, if it had been approved, would have certainly reinforced the principles of NPM in the performance objective characteristics.

Keeping in mind the contextual factors, the pace of Bhutan's political and socio-economic developments also influenced the structure and form of the Bhutanese civil service. Drawing on the study conducted by Christensen and Laegreid (2011, 408), using the Norwegian welfare administration as a case, they explain that hybridity occurs as public organisations try to 'attend to numerous and sometimes conflicting ideas, considerations, demands, structures and cultural elements at the same time'. The 'accelerating pace' of public sector reforms in modern representative democracies, particularly the NPM and the post-NPM reforms, are 'resulting in a complex sedimentation or layering of structural and cultural features' (Christensen and Laegreid 2011, 408). Thus both the Norwegian and the Bhutanese examples support the argument that the pace of political and economic development is likely to cause a public administration system to be hybrid or layered with one paradigm or model over another.

## **8.7 Conclusion**

This chapter discussed two key elements of the dynamics of the PCS. The first element of the dynamic is the drivers of change of the PCS. Within the drivers of change the

factors that influenced the dynamics of the PCS were the ideas and symbols that the PCS was associated with, the limited stakeholder participation, and the issues of policy transfer and change management aspects of the PCS. The findings of the thesis provided evidence that the PCS was perceived as being based on international best practices and symbolised as bringing about a new public service order into the Bhutanese civil service. PCS was also a case of policy transfer and was an amalgamation of a bundle of public sector reforms that were based on experiences of practices in other countries. The thesis demonstrates that the process of change from the Cadre System to the PCS was not managed well. Clear strategies were not laid out and there was also a lack of participation of the key stakeholders in the design of the components and strategies of PCS which affected the dynamics of the reform.

The second dynamic of the PCS is in the forms of interaction between its various components. The PCS was comprised of five components that were categorised either as normal policy making or paradigm shift policy. While the interaction of the normal policy making or incremental reforms of the PCS did not face major problems, there were caveats in the interaction of the paradigm shift policies or the transformational reforms of the PCS. The performance management system of the PCS was one of those transformational reforms that faced challenges in its implementation. This chapter demonstrated that the main reasons why there were difficulties in implementing the performance management system of the PCS was because of the contextual and cultural differences of Bhutan compared to those countries where similar reforms were implemented. The political context of Bhutan with strong monarchical traditions operating in a democratic setting and an economic context where the country has seen rapid economic growth yet being donor dependent affected the implementation of the PCS. Culturally, based on Hofstede's VSM 2008, the culture of Bhutan is quite different from those countries that the PCS looked to for best practices. Finally this chapter also discussed the consequences of the dynamics of the PCS on the public administration in Bhutan. Extant research on hybridity in public administration largely attributes the cause of hybridity as the accelerating pace of public sector reforms due to developments of ideas, demands and structures of a nation. Based on the experience of the implementation of the PCS in Bhutan, this chapter argued that hybridity in public administration can also be explained when public sector reforms strive towards an ideal type. It is the dynamics of public sector reforms that nudges public administration

systems to change their structure. These discussions on hybridity in public administration are also continued in the following chapter. In the next chapter, I examine some more of the dynamics of the PCS and apply the findings based on the experiences of the implementation of the PCS in Bhutan to broader discussions on the dynamics of public sector reforms.

## **Chapter 9: Dynamics of public sector reforms**

### **9.1 Introduction**

This thesis examined the dynamics of public sector reforms through the implementation of the PCS in Bhutan. One of the main factors that influenced the dynamics of public sector reforms was the context and the culture within which the reforms are implemented. To determine the administrative context of Bhutan's public administration, we saw in Chapters Five and Six that Bhutan's public administration is a hybrid system that is layered with characteristics of various paradigms and models of public administration. And using Hofstede's VSM 2008, Chapter Eight provided an insight into the culture of Bhutan's civil service. Chapter Eight also discussed the interaction of the PCS within the hybrid administrative context of Bhutan's public administration with predominantly TPA characteristics and a culture of strong collectivist and medium power distance index. The other factor that influenced the dynamics of the PCS was the interaction between the drivers of change. Some of the factors that affected the outcome of the PCS were symbols of reforms, stakeholder participation, policy transfer, and change management.

Based on the examination of the dynamics of the PCS, this chapter draws on the discussions and connects to the broader literature on public sector reforms. This chapter is presented in four separate sections and demonstrates how the findings from this research contribute to central themes in the field of public administration. The first section discusses the trajectory of reforms by addressing the following questions: Why are public sector reforms initiated? What is included in reform packages? Why do patterns of reforms differ across nations? These questions are central to the ongoing debate in the field about points of convergence and divergence in administration systems, an issue that will be explored here. The second section examines the debate about theory and practice of public sector reforms and draws on key findings from this research to explain why there was a difference in the implementation of the PCS versus its initial objectives and goals. The fourth section discusses the consequences of the dynamics of public sector reform and addresses the question of why public administration systems often develop as hybrids. The final section discusses why

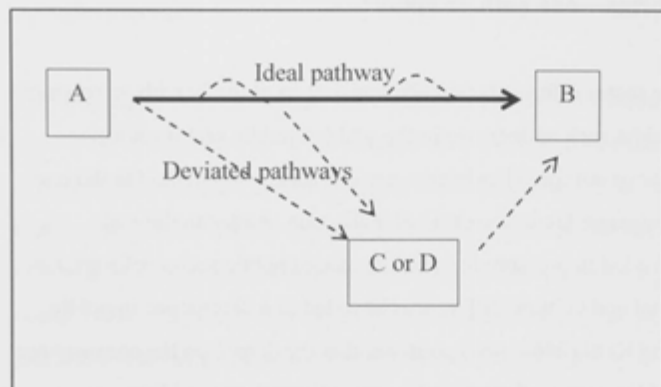
sometime nations should look within the system itself for effective practices rather than always looking towards other countries and systems for best practices.

## 9.2 Public sector reforms—one path or many?

In recent decades public sector reforms have been undertaken globally with increasing intensity and scope. Amidst such an increase in the scale of public sector reforms, debate continues whether or not there has been a single reform movement. On the one hand there are certain universal factors, such as globalisation and technological development, which have led to pressure for convergence in public sector reforms. On the other hand, contextual and cultural differences have led to a divergence in public sector reforms. Jones and Kettl (2004, 467) point out that the debate on the convergence versus divergence of public sector reform is a ‘long-standing’ one in public administration and management, and that there has been evidence of both trajectories observed in practice. This chapter will examine these points of convergence and divergence in public administration based on the findings of this study on the implementation of the PCS in Bhutan. To this effect, the framework presented in Figure 13 showing the various trajectories of public sector reforms has been developed from this study. This framework forms an important contribution to the theoretical development of the trajectories of the public sector and provides a new way of thinking about how we might understand the dynamics of public sector reforms. In general, countries initiate public sector reforms to move from the “current situation” (represented by point A in Figure 13) to a “desired situation” (represented by point B in Figure 13). The path taken to get from point A to point B in Figure 13 is the “ideal pathway”. While such an ideal path is desirable, the reality is that instead of going from point A to point B, the outcomes are either points C or D. These paths are represented in Figure 13 as the “deviated pathways”. The deviation in the pathways occur either at the beginning of the reform trajectory or along the way when the reforms face obstacles. These obstacles are indicated in Figure 13 as “bumps” along the ideal pathway. Sometimes such bumps are minor obstacles and act as speed breaks that delay the time taken by governments to arrive at the final destination (point B). But sometimes these obstacles can also be major hindrances resulting in a total deviation from the ideal pathway, leading to other end results. Another point to make based on Figure 13 is that although reforms deviate from the original pathway, that is, move to points C or D,



some of them eventually get to point B. In such circumstances, points C or D act as important transition positions for the reforms.



**Figure 13 Public sector reform trajectories**

Because the PCS is comprised of a bundle of reforms, each of its components can be treated as an isolated reform that can be applied onto the framework in Figure 13. The component of the PCS that followed the ideal pathway was the human resource development component. The classification of positions and occupational grouping component of the PCS also followed the ideal pathway, although there were some bumps along the way. Minor problems, such as in the way the jobs were described or some positions not being properly classified, were faced in the implementation. The recruitment, selection and promotion component of the PCS also faced some bumps along the way, and after rectification some aspects of this component continued to move towards point B. An example of one such aspect that was rectified was the initial clause which specified a requirement of a minimum of two years in a position before being eligible to apply for another higher position. It was later increased to four years. However, some aspects of the recruitment, selection and promotion component after facing an obstacle in its implementation deviated entirely from the ideal pathway (indicated as points C or D in Figure 13). An example is the purpose of the specialist position category in Bhutan's civil service. Instead of serving a purpose of creating a group of professionals with specialised expertise in a particular field, the specialist positions were being used as an outlet for those senior civil servants who were not able to move into the executive position category. It is yet to be determined if this result, that is, where the specialist position category will continue to remain as an alternate outlet for

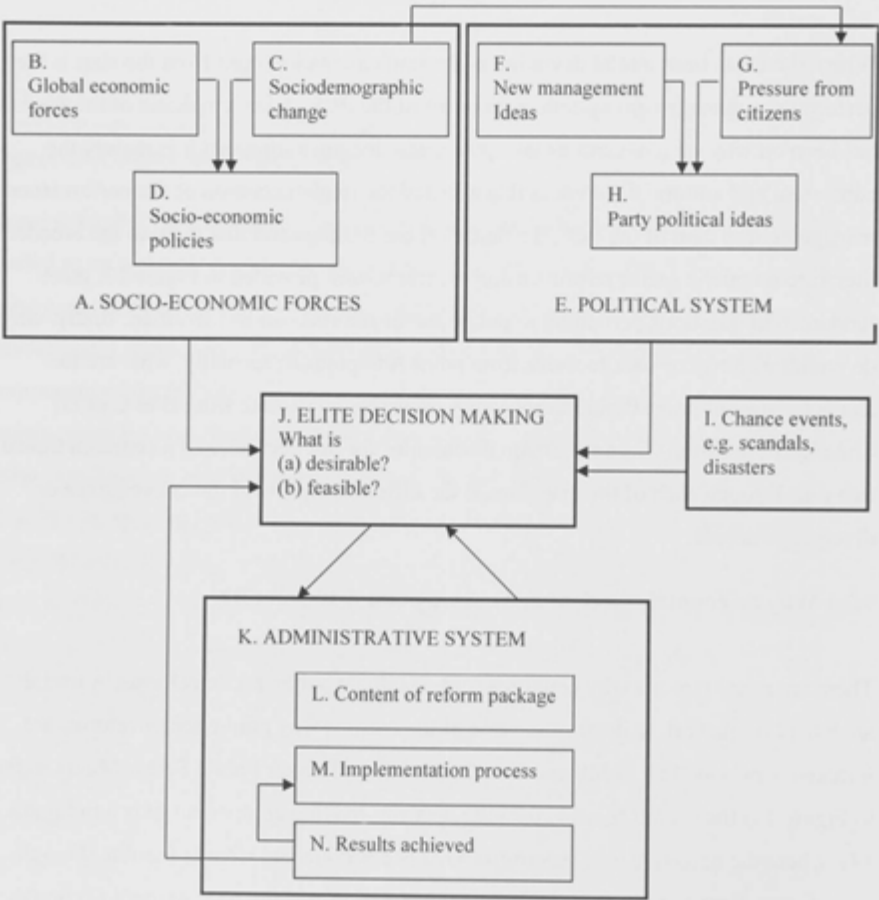
senior civil servants (that is, continue to remain as point C or D), or if changes will be made to readdress the issue so that the initial objective of creating the specialist position (that is, point B) is achieved some time in the future. The second point about reforms deviating from the ideal pathway but eventually reaching the final point (that is, point B) raises an important concept of “equifinality” of public sector reforms. According to Gresov and Drazin (1997, 403), the concept of equifinality in organisation theory means that the ‘final state, or performance of an organisation, can be achieved through multiple different organisational structures’. In this sense, points C or D are the means through which reforms move from point A to point B.

Where there has been a total deviation in the implementation right from the start is the performance management system component of the PCS. A key emphasis of the thesis has been on why such deviations take place, and demonstrating that it is mainly the contextual and cultural differences that affected the implementation of the performance management system of the PCS. To unpack these findings and link them to the broader literature on public sector reforms using the framework provided in Figure 13, three fundamental questions pertaining to public sector reforms can be identified: firstly, why do countries move or seek to move from point A to point B; secondly, what are the characteristics of point B; and thirdly, why do pathways deviate from B to C or D? These three questions frame the main discussions for this section, and a common thread that runs through each of the questions is the different aspects of the convergence or divergence debate.

### **9.2.1 Why do countries seek to move from point A to point B?**

There are many reasons why countries seek to initiate public sector reforms. A useful analytical framework to determine some of the reasons why public sector reforms are initiated is provided by Pollitt and Bouckaert (2011). In their Public Sector Model (refer to Figure 14) the central focus is the elite decision-making component (box J in Figure 14), where the objective is to determine what is desirable and what is feasible through the reforms. Four key elements influence this decision-making process: socio-economic forces (box A), political system (box E), administrative system (box K) and chance events (box I). According to Pollitt and Bouckaert (2011) it is the interplay among these principal elements that management change emerges. Global economic forces and

socio-demographic changes influence socio-economic policies that require decision-makers to initiate public sector reforms. And it is mainly the party political ideas formed by either the emergence or a combination of new management ideas and pressure from citizens that influence the political system for the initiation of reforms. Chance events, for example scandals and disasters, could also lead to the initiation of public sector reforms. The other component of the model is the administrative system, which includes the content of the reform package, implementation process and the results that are achieved through the reforms.



**Figure 14 Framework for public management reforms**

Source: Pollitt and Bouckaert (2011)

Convergence and divergence in why public sector reforms are initiated can be analysed based on the key elements in Figure 14. When examining the convergences why countries introduced public sector reforms, it can be argued that broad socio-economic and political forces such as ‘party politics’ and ‘globalisation’ were responsible for convergences in the initiation of public sector reforms, particularly NPM-related reforms (Dahlstrom and Lapuente 2010, 585). Similar political developments in countries such as the UK and the US where neo-liberal and pro-market regimes came into power in the late 1970s and early 1980s encouraged the introduction of market-oriented reforms in the public sector. Other Anglo-Saxon countries such as Australia and New Zealand also followed suit and initiated such neoliberal and pro-market reforms. Another socio-economic factor that set off a series of public sector reforms was “globalisation” and governments strived to create more efficient organisations because of the challenges created by an open economy. An example to illustrate the influence of globalisation was in Europe, where nations were influenced by the convergence criteria of the European Monetary Union to introduce public sector reforms as a result of the open economy challenges (Dahlstrom and Lapuente 2010). Similarly, in Asia global waves of public sector reforms such as the NPM and good governance models impacted institutional reforms (Cheung 2005). Moon and Ingraham (1998) point to convergences in the choice of reforms such as decentralisation, downsizing and reorganisation in China, Japan and South Korea as a result of administrative, economic and political reform in these countries. It was not only the NPM and governance-related reforms that sought convergence. In a study of the reforms initiated by a group of Central Eastern European countries, Neshkova and Kostadinova (2012) showed that the post-communist countries chose the classical Weberian model of centralised hierarchy rather than adopting businesslike practices that were not feasible in the context of post-communism. These countries chose to initiate such reforms towards the goals of de-politicisation and professionalism of the state bureaucracy (Neshkova and Kostadinova 2012). Wise (2002) points to a shift towards postmodern values such as demand for greater social equity, humanisation, and democratisation and empowerment in Europe and North America that influenced the administrative practices in different national contexts.

Divergence in the reasons for the introduction of public sector reforms can also be explained by using Pollitt and Bouckaert’s model. It is also the differences in the socio-

economic forces, political system and administrative system that lead to divergences in initiating public sector reforms. For instance, in the example presented earlier by Moon and Ingraham (1998) where China, Japan and South Korea introduced decentralisation reforms. In each of the countries the reasons for their introduction were quite different: for China the main reason was for economic purposes, for Japan it was administrative reasons and for South Korea it was politically motivated. Cheung (2005) also points to combinations of various factors such as political will, economic crisis and other specific conditions shaped by institutional features why reforms are pursued in Asian nations. Pollitt and Bouckaert (2011) also point to tensions among the competing drivers of reform that lead to divergences in the way reforms are introduced. They highlight the pressures represented by external socio-economic forces and political demands and illustrate their point with the example of the balance between the three basic types of reform objectives implemented in the 12 countries that they examine (Pollitt and Bouckaert 2011). The three objectives are to reduce public expenditure, design better-performing public services and sharpen accountability and transparency. Tensions among the three competing objectives can emerge at short notices especially during periods of crisis. An example is the economic crisis of 2008, which heightened the need for economies and cuts and led to major reform deviations in a number of countries that required trade-offs between short-term and long-term goals.

In the case of the introduction of the PCS in Bhutan, the findings of this research demonstrate the influence of globalisation and political changes that were taking place in the country on its public administration system. The good governance agenda promulgated by the international organisations was gaining momentum in the developing countries in the late 1990s (Goldfinch et al. 2013). It was around the same time that Bhutan undertook its first good governance exercise in 1999. The PCS was a direct result of the good governance exercise in 1999. One of the main reasons that led to the introduction of the PCS was partly due to the governance trend in developing countries. The other reason for the introduction of the PCS was due to changes in the political system. The good governance exercise was initiated by the new government that was formed immediately after a major political transformation in Bhutan in 1998, when the absolute monarch in Bhutan devolved executive powers to a cabinet elected by the parliament. In this sense, there was a convergence of the good governance

agenda that was being initiated across the developing countries in the 1990s, leading to the introduction of the PCS in Bhutan.

### **9.2.2 What are the characteristics of point B?**

The ideal type typology of public administration (Table 6 in Chapter Four reproduced as a Table 14) is useful heuristically to show what point B in Figure 13 could include. The ideal type typology included the four main paradigms and models of public administration mentioned alongside eight key characteristics. Thus the ideal type typology presented in Table 14 offers 32 different characteristics that could potentially be point B. And the number of characteristics could either increase or decrease depending on the number of variables that are included for each of the paradigms and models. Irrespective of what the number of characteristics is, it is important to note that these characteristics are “ideals” only and that any country could seek to achieve those ideals. In this sense, there is what Hughes (2003, 266) describes as ‘theoretical convergence’. According to Hughes (2003) evidence of convergence across a number of countries is in underlying theory where although reforms in countries may vary in the specifics, there are similarities in the direction of the reforms and the ideas and theory that drive the reforms. This debate is important and it can be convergence/divergence on many things, such as the reform package and the main objectives. Theoretical convergence helps in explaining the convergence in instruments and strategies that countries adopt while at the same time also acknowledging that the timing when the reforms are introduced and the details of the reforms are likely to be modified depending on the local traditions and context (Hughes 2003). Jones and Kettl (2004, 466) also agree that while context matters, however, there are also elements of ‘isomorphic transference’ and therefore suggest some interdependence. By this, they mean that convergences in public sector reform programs have spread through policy transfer among nations because of factors such as: through information technology to access policy successes and failures in different countries, the media’s role in identifying policy problems, and international organisations and consultants. In recent years one such example of isomorphic transfer is performance measurement. Although performance management reforms have varied and evolved over time, performance management regimes and measurement is one of the most widespread and important public sector reforms (Talbot 2008, Tillema et al. 2010). The performance management

system of the PCS in the Bhutanese civil service was also an example of a policy idea that drew on the experience of a range of other countries.

**Table 14 Ideal types of public administration**

	Patronage	Traditional Public Administration	New Public Management	Emerging Models
Characterisation	Spoils System	Bureaucratic	Post-Bureaucratic, Competitive Government	Post-Competitive, Collaborative Governance
Citizen-State Relationship	Servant-Master	Obedience	Entitlement	Empowerment
Accountability of Senior Officials	Ruler/ Sovereign	Politicians	Customers	Citizens and stakeholders
Dominant Focus/ Guiding Principles	Loyalty	Rules	Results	Relationships
Key Attributes	Personal relationships	Impartiality	Professionalism	Responsiveness
Preferred System of Delivery	Duress/ Forcibly	Hierarchical departments or self-regulating profession	Private sector or tightly defined arms-length public agency	Menu of alternatives selected pragmatically
Performance Objectives	Satisfying the needs of the ruler/sovereign	Managing inputs	Managing inputs and outputs	Multiple objectives including service, outputs, satisfaction, outcomes
Role of Public Participation	Provide services	Limited to voting in elections	Limited—apart from customer satisfaction surveys	Crucial—multifaceted (customer, citizen, key stakeholder)

In explaining the divergence of what comprises point B we can draw on the work done by Cheung (2005). He explains that divergence in the choice of public sector reforms occurs because of the different political motivations and agendas for reforms, and while the idea may converge in terms of an international origin, the actual policy making

process is local. Cheung (2005, 260) also makes an interesting observation that divergences in the choice of public sector reforms mainly occur even though there is a 'global reform paradigm' such as in the form of NPM because governments often pick and choose from a range of measures and strategies. The implementation of PCS in Bhutan was an example of a reform that comprised five different components. A convergence was observed in the way the PCS was conceived as good governance reform initiative aimed at improving the civil service of Bhutan. In doing so, it chose common elements of public administration characteristics, that is, organisational structure, performance management, training and development, recruitment and promotion and financial rewards. However, in the type of reforms that were chosen based on the paradigm or model that they belonged to, the components of the PCS was a mix between characteristics of TPA and NPM reforms. Thus the experience of the PCS is quite different from public sector reforms implemented in other countries as reforms mostly belong to a particular paradigm or model. And this thesis demonstrated that it was important to identify the type of policy that the reform was, that is, either as normal policy that involved incremental changes or as a paradigm shift policy that included transformational changes. This process of separating reforms into the two categories of policy making helps in explaining the dynamics of public sector reforms.

### **9.2.3 Why do pathways deviate from point B to points C or D?**

In Figure 13 we saw that countries initiate public sector reforms to move from point A to point B. And the earlier section discussed some of the reasons why countries initiated public sector reforms and the particular reforms that countries chose to implement. In the actual implementation of public sector reforms, however, reforms do not always lead from point A to B. In other words, public sector reform rarely hits its marks or the end point that it sets out. Laking and Norman (2007) contend that administrative reforms are prone to failure with only a 39% success rate based on estimates produced by the World Bank's Operations Evaluation Department in 1999. Barzelay and Jacobsen (2009, 331) support this line of argument and state that 'implementation does not follow automatically from declaring the resolution of an agenda issue'. This is true even for countries that, for instance, were seen to have been the NPM benchmark countries such as the Australia, New Zealand, UK and the US, and where NPM-related reforms were initiated. In terms of whether or not these reforms had the desired effect or



'live[d] up to expectations' is questionable (Moynihan 2006, 77). In this section we discuss some of the reasons why there have been convergences and divergences in reform trajectories. Before moving on to the main discussion, two important issues related to public sector reforms will need to be highlighted. The first is the ontological and epistemological issue of what is "success". More specifically, from Figure 13, the question arises whether or not it can be concluded that if  $A \rightarrow B$  equals success, and if  $A \rightarrow C$  or  $D$  equals failure. In Chapter Seven, we saw that definition of success was contestable, and to avoid a dichotomous perception of the PCS as success or failure, I evaluated the PCS on a combination of criteria drawing on the work of Marsh and McConnell's (2010) dimensions of policy success. In addition to evaluating the PCS based on the overall perceptions of the civil servants in the survey conducted in 2010, the PCS was also evaluated on the process and programmatic dimensions. Therefore to determine the success of the PCS, a broader evaluation was conducted that covered aspects of its formulation, implementation and an analysis of the main components of the PCS. In doing so, we observed problems in the way the PCS was formed and implemented. In its final analysis, the PCS was a mixture of successes and failures. Areas where it failed, for example, were a lack of stakeholder participation when the PCS was being formulated and the transition from the Cadre System to the PCS was not properly managed. And these issues can be identified as the "bumps" along the PCS reform trajectory that is indicated in Figure 13.

Controlling for variables such as the "bumps" in Figure 13 in the implementation of public sector reforms, the findings of the research based on the implementation of the PCS showed clearly that accounts for the convergences and divergences are mainly contextual and cultural similarities and differences. The examination of each of the components of the PCS revealed that in its implementation some of the components were close to point B in terms of their outcome. As we saw earlier, the human resource development component of the PCS came closest to the achieving the objectives, and the other components of the PCS that were quite close to achieving their objectives were the classification of positions and occupational groups, and the recruitment, selection and promotion system. The component that deviated sharply away from the ideal pathway was the performance management system of the PCS. The experience of the PCS demonstrates that differentiating between normal and paradigm shift policy helps to explain divergences in the implementation of public sector reforms. Based on

the findings from this research, it can be argued that incremental reforms do not face major challenges in implementation whereas paradigm shift reforms require a match between the context and the culture of the reforms to the administrative system to occur for successful implementation.

Such divergences in the implementation of public sector reforms are also evident in other countries in spite of the similarities observed in their economic status, political traditions or geographic locations. For instance, in a study of the implementation of public sector reforms in a group of developed countries, Pollitt and Bouckaert (2011, 115) contend that due to a lack of 'universally shared vision', divergences occur in the trajectory of public sector reforms. They also point to 'organisational factors' that have affected the implementation of reforms in countries such as the UK, Netherlands and France (Pollitt and Bouckaert 2011, 121). Others (for example, Dahlstrom and Lapuente 2010 and Gualimini 2008) have also shown that in the implementation of NPM-related reforms, a convergence exists only among the Anglo-Saxon nations, and that there are major differences in the implementation of such reforms between the Anglo-Saxon nations and other nations, for example, countries in Continental Europe. Similarly, Pierre (2013, 131) in his examination of public sector reform in Japan, Sweden and the United States concludes that none of the three countries have implemented NPM-related reform to a major extent despite the assumption that globalisation is likely to result in a convergence in reforms. An explanation for such divergences in public sector reform is offered by Pollitt (2011, 40), who argues against the idea of 'world waves/stages' of reform and highlights the importance of spatial and temporal contexts where the reforms are implemented. Dahlstrom and Lapuente (2010), based on their study of performance-related incentives in the public sector for 25 countries, also find that cross-country variations are dependent on administrative traditions, politics and economics. For example, with regard to administrative traditions, differences in the implementation of NPM-related reforms emerged between those countries that belonged to the public interest and *Rechtsstaat* administrative tradition. In terms of political and economic approaches, whether or not governments leaned towards the right-wing or the economy was neo-liberal in its approach, resulted in a divergence in the implementation of reforms.

Even countries such as Japan and South Korea that share many similarities (for example both these countries are based on a Confucian administrative tradition, have right-wing political governments, and faced an economic crisis in the 1990s) have experienced differences in receptivity to NPM-related reforms (Dahlstrom and Lapuente 2010). The main reason for the difference is based on one of public administration's main theoretical foundations, that is, the politics – administration dichotomy. In Japan, there is an integration of career between politicians and senior civil servants whereas in South Korea there is clear separation (Dahlstrom and Lapuente 2010). Similarly, in another study that compares four South and South-East Asian countries that were former colonies of the British, Samaratunge et al. (2008), note that although countries shared an inherited centralised and hierarchical administrative system from their colonisers and started off as mixed economies with strong public sectors, the outcome of NPM reforms introduced in the countries varied. They conclude that reform pathways were determined by contextual factors such as political history, pattern of economic development, nature of reform and the role of civil society. In this particular case, Singapore and Malaysia were more successful in the implementation of public sector reforms because of strong political commitment to the reforms, whereas in Sri Lanka and Bangladesh the reforms were mainly introduced to suit the interests of the elites (Samaratunge et al. 2008). Divergences in the implementation of public sector reforms are present even in the case of developing countries which appear as a homogenous group that are often characterised by 'low institutional capacity and high levels of informality and corruption' (Tillema et al. 2010, 211). In a cross-country comparison conducted by Goldfinch et al. (2013) of good governance reform in 49 low income countries, they found that the outcomes of the good governance reforms varied in these countries.

In this section, I showed based on the experiences of the implementation of the PCS in the Bhutanese civil service that convergences and divergences in public sector reforms occur at three levels. The first was when considering the main reasons why countries opted to initiate public sector reforms. The second level of convergences and divergences occurred when determining the choice of public sector reforms to be implemented. And the third was the reasons why countries deviated when implementing the reforms. It was at the third level that most of the divergences tended to occur. One of the main reasons for the divergences in Bhutan's case was due to the difference in the

local context and culture. These findings extend what we know about the impact of context and culture on the implementation of public sector reforms. Similar inferences in other countries can also be made, and a consistent message based on the empirical experiences in the implementation of public sector reforms is that context and culture matters. As a cautionary note when examining public sector reforms, Cheung (2005, 258) warns that 'overgeneralisation' can be as much an analytical risk as 'overplaying local uniqueness'. Having said that, convergences in public sector reforms are mostly theoretical convergences and tend to occur more at two levels of inquiry, that is, in determining why public sector reforms are initiated and what they try to achieve. And divergences tend to occur mostly at the implementation level. The next section explores this notion of theoretical convergence and practical divergence by engaging in the theory versus practice debate in public administration.

### 9.3 Theory and practice in public administration

In the applicability of the PCS to Bhutan, one of the major criticisms of the PCS was that there was a mismatch between the PCS as a theoretical concept and the PCS in practice. Such shortcoming between concept and practice is nothing new in public policy. That the public sector reforms *realities* are quite different from public sector reform *ideas*, Lane (1997, 1) contends, is common 'as there tends to be a huge distance between lofty theory and down-to-earth practice'. O'Toole (2004, 312) supports the disparity between theory and practice and points out that the 'theory-practice nexus is not a simple link in some translation belt from thought to action' and that it is unreasonable to expect theory to translate into a clear and uniform body of knowledge. Hernes (2005, 9) also points out that when 'organizing concepts are reproduced in an institution', the 'idealized practices' upset or threaten the existing set of arrangement which lead to 'certain degree of deflection'. The tension between theory and practice is further exaggerated when literature that was designed for Western and European countries is applied to non-Western countries (Welch and Wong 1998).

Although existing literature has shown that the ideal types in public administration are often difficult to realize and pointing to a gap between theory and practice. However, it must be noted that the role of theory in public administration, according to Lynn (2008,

4), is threefold: to reduce the 'unwieldy complexity of administrative practice to causal propositions concerning what goes on beneath the surface of the world as we observe it', to 'create models that illuminate a significant number of important contexts', third, to 'be useful for predicting, or for supporting informed conjectures about the probable consequences of acting in particular ways'. The notion of paradigms of public administration helps in a normative sense by drawing out the various ideal types in public administration. For instance, in the TPA, Weber proposed an ideal type of bureaucracy that satisfied a check list of distinctive criteria that included a public administration based on written rules, impersonal order, and clear division of labour (Sager and Rosser 2009). With the NPM, the practices of the private sector was seen as an 'idealized model' that the public sector sought to replicate, and that in reality such a replication was not reflected well (Aberbach and Christensen 2005, 237). These ideal types prescribe one-best-way approaches, which are often difficult to implement because of the context within which the reforms are situated. As Alford and Hughes (2008, 138) contend, the paradigms of public administration tend towards a 'one-best way orientation'. In the TPA, through theories of bureaucracy and scientific management strategies such as POSDCORB (planning, organizing, staffing, directing, coordinating, reporting and budgeting) and procedures that examined all steps involved in a task and measuring the most important and efficient method to carry out the task were prescribed. NPM's one-best ways were manifested through strategies such as outsourcing where services were contracted out based on an assumption that services would be cheaper and of greater value in quality and responsiveness. Similarly, the new models are also based on assumptions that answer to most deficiencies of the public sector by assuming that there is one-best-way through collaboration and engagement. Each of these perspectives has strengths and weaknesses, but they have in common the notion of setting out the "answers" to the challenges that confront administrators and managers in practice.

Another reason for the gap in theory and practice as pointed out by some researchers (for example, Askim et al. 2010, Baker 2004, Cheung and Scott 2003, Common 2001, Halligan 2001, Hill and Lynn 2005, Jones and Kettl 2004, Klitgaard 1997, Nolan 2001, Olsen 2005, Pollitt and Bouckaert 2011, Wise 2002) is that public sector reforms depends to a large extent on the context and culture of the countries that the reforms are applied within. The choice of reforms often depended on: different needs, political

pressures, historical traditions (Aberbach and Christensen 2003, 504); specific structural and cultural characteristics based on their 'administrative arena' and 'administrative tradition' (Capano 2003, 788); differences in national reform paths and reform patterns (Hajnal 2005, 496); and the broader state-civil society relations within which the reforms are embedded (Brandsen and Kim 2010, 368). In this sense, according to Lynn (2008, 4), the 'presumption of theory-based research is that people, organisations and other social actors are conditionally alike in certain ways and that conceptualizing these ways will help derive empirical knowledge that enables better policy makers, manager and clinicians'.

#### **9.4 Hybrid or layered public administration**

In this section, based on the experience of the implementation of the PCS in Bhutan's public administration, I highlight some of the key factors responsible for hybridity in public administration. One of the factors that lead to hybridity in public administration is because each new paradigm does not replace each other but is layered upon one another. In practice, what is observed through the experiences of some countries is that while each paradigm has been the dominant movement during a particular period, for example, the TPA during towards the end of the nineteenth and large part of the twentieth centuries, and the NPM in the last two to three decades (Schedler, Jones et al. 2004); history has shown that public sector reforms 'recur with each new piece woven—sometimes seamlessly—into the next' (Jones and Kettl 2004, 462). As a result there tends to be an overlap in the paradigms and it is difficult to clearly ascertain whether a trend befits being termed a paradigm. Experiences, even in 'pure NPM-countries', as Aberbach and Christensen (2005, 239) point out, combine elements of the 'supermarket state' with features of traditional state models and pluralistic features. Rhodes et al. (2008, 473–4) also argue that NPM does not entirely replace the traditional systems, and it is 'grafted onto the previous set of beliefs' and that in the case of countries such as Australia, Canada and the UK, the old systems were not discarded but new components were added alongside key components of the old system. The findings of the PCS demonstrate that hybridity in Bhutan's public administration was also because each paradigm was grafted onto the earlier paradigm. For instance while the PCS was an improvement over the Cadre System or the patronage system that was prevalent earlier, it did not entirely replace the old with the new. In effect there was a

hybridity observed in Bhutan's public administration. What makes the Bhutanese case of hybridity stand out is the pace at which the changes occurred. Within a period of 35 years, that is, when the first civil service rules were framed in the early 1970s to the implementation of the PCS in 2006, characteristics of Bhutan's public administration transformed from an entirely patronage-based to one with a mix of TPA and NPM-based system. A similar observation is made by Christensen and Laegreid (2011, 408) in their study of the Norwegian welfare administration, and they explain that hybridity occurs as public organisations try to 'attend to numerous and sometimes conflicting ideas, considerations, demands, structures and cultural elements at the same time'. The 'accelerating pace' of public sector reforms in modern representative democracies, particularly the NPM and the post-NPM reforms, are 'resulting in a complex sedimentation or layering of structural and cultural features' (Christensen and Laegreid 2011, 408). Thus both the Norwegian and the Bhutanese examples support the argument that the pace of political and economic development is likely to cause a public administration system to be hybrid or layered with one paradigm or model over another.

A second factor that leads to hybridity in public administration are the dynamics of public sector reforms. The experience of the PCS in Bhutan shows that one of the dynamics that results in a layering of characteristics is the type of policy making that public sector reforms belong to, that is, either normal policy making or paradigm shift reforms. Often comprising a bundle of reforms, public sector reforms such as the PCS have elements of both the two types of policy. While implementing normal policy making type of reform does not face any challenges, that is, after having accounted for the process issues, the experience with paradigm-shift reforms is that contextual and cultural pre-requisites have to be considered. The political and economic contexts were important to consider when implementing public sector reforms. The emphasis of the economic context is particularly important when implementing NPM-related reforms which are largely based on neo-institutional economic theories. In Bhutan, the performance management system required a fiscal environment that would enable agencies to identify and set goals and targets. Bhutan, being largely dependent on aid and international donors for funds, made target setting, both at an organisational and individual level, uncertain and challenging. The cultural context, on which this thesis focused is also very important. Paradigm-shift reforms are normally embedded with certain national and organisational culture and values. If the cultures between the

reforms and the country where the reforms are applied clash, then the paradigm-shift reforms are subject to failure. And if we were to agree with Hofstede's argument that national cultures hardly ever change, then it is likely that the clash is likely to remain for quite a while. It is in such cases where the mismatch in culture occurs that paradigm-shift reforms are unsuccessful. The performance management component of the PCS sought to inject a performance oriented culture in Bhutan's civil service. In doing so, it also came with strong Western values of competition and individualism, which clashed with Bhutan's strong collective values. Therefore such clashes in culture and values between public sector reforms and the public administration system that these reforms are applied within lead to situations where characteristics of a particular paradigm cannot be applied in a neat and clear-cut manner.

A third factor resulting in hybridity in public administration is also related to the dynamics of public sector reforms. When we compare the reality to the ideal we see the hybridity of practice. In other words, when public sector reforms strive towards an ideal type, the challenges and the shortcomings in the policy towards the intended objectives lead to hybridity. Public sector reforms normally seek to transform the existing public administration system by incorporating characteristics of a new paradigm. The findings from this study show that the PCS faced major challenges in its implementation. In general there was a lack of support from the general civil servants. The main reason for such a lack of support early on in the implementation of the PCS was because when the reforms were being formulated, the views of the general civil servants were not sought. Typical policy transfer-related problems of public sector reforms were also observed with the formulation of the PCS, such as being overly dependent on international advisors and consultants and not building the capacity of in-house experts. Also managing the transition from the Cadre System to the PCS was poorly handled resulting in confusion and dissatisfaction among the civil servants. Such procedural problems, where the transformation from one paradigm to another is not smooth, result in public administration systems that are layered and hybrid in nature.

## **9.5 Looking within for "Good Public Administration"**

The concept of "hybridity" in public administration can also be explained by the concept of Drechsler's (2013) "paradigmettes" which are a combination of various



paradigms. Some of the paradigmettes either combined aspects of the TPA, NPM and post-NPM paradigms or the Western and Eastern paradigms. Another paradigmette that describes Bhutan's public administration was one that combined TPA, NPM and patronage system. Another paradigmette that is relevant for Bhutan, and which is the main focus of this section, is one that combines the Western and Eastern paradigms. The Eastern paradigm discussed in this section, however, is neither the Islam and Chinese public administration but one that is derived from Bhutan's traditional religious administration. Chapter Five discussed the history of Bhutan's public administration which was heavily reliant on both its political and religious history. The *choe-sid* system that *Zhabdrung* Nawang Namgyel established in the seventeenth century played a predominant role in establishing Bhutan as a nation state. Although the *sid* (that is, the political administration) changed considerably with the establishment of the monarchy in 1907, the *choe* (religious administration) has largely remained intact. The present structure of the religious establishment (*Zhung Dratshang*) in Bhutan has at the top of the hierarchy the *Je Khenpo*, a post that was established since the start of the *choe-sid* system in the seventeenth century. Below him are the five *lopons* or masters of various disciplines. The *Je Khenpo* and the five *lopons* function as the executive within the *Zhung Dratshang* and are responsible for overseeing the responsibilities of the other posts. Below the executives of the *Zhung Dratshang* are the heads of the *dzongkhag dratshangs* located in each administrative unit of the country, and the principals of the monastic schools. The present structure has not changed substantially from its original structure in the last few centuries.

The main reason why the discussion on the religious establishment deserves a closer analysis is because of the lessons that Bhutan's civil service can learn from it. Rather than always looking towards the experiences of other nations for examples of best practices, combinations of what constitutes a "good PA" can also be based on practices within the country. Kickert (2011, 802) claims that 'history matters' and that historical traditions in state, politics, government and administration influence current developments. Turning to history to explain current trends is based on the philosophical tradition of historical institutionalism. Hall and Taylor (1996) define historical institutionalism as the formal and informal procedures, routines, norms and conventions embedded in the organisational structure of the policy or political economy; and institutions are normally associated with organisations and the rules or conventions

promulgated by formal organisation. A significant feature of historical institutionalism is the emphasis of path dependence on institutional development. Generally, historical institutionalists reject the view that operative forces generate similar results in all situations. Instead, they argue that these operative forces depend to a large extent on the contextual features, mostly institutional in nature, of a given situation that is often inherited from the past. It is these institutions that push historical developments along a set of paths, and historical institutionalists seek to explain how institutions produce such paths and how they impact existing state capacities and policy legacies (Hall and Taylor 1996). And often a neglect of such path dependency features can impact the implementation of reforms. For instance, studies have shown that in countries that are a changing society with colonial imprint in the form of a strong bureaucracy coupled with the post-colonial moves towards indigenisation were obstacles to the adoption of the so-called new public management reforms which were based on neo-liberal ideologies (Common 2001).

Another advantage of a historical institutionalism perspective is that it helps in explaining the convergences and divergences in public sector reforms. Hood (2000, 2) asks:

Why, in spite of all the 1990s hype about overarching new “global paradigms” of public service provision taking over the world, did we see substantial elements of diversity as well as commonality in public sector reforms across the developed world in the so-called “new public management” era?

Hood (2000, 4) points out that the debate between convergences and divergences in a global reform model has not been productive because of the lack of an ‘agreed metric’ to gauge administrative convergence and ‘precise language’ to define convergences. On the one hand, those who argue that there are convergences tend to focus on use of technology and service-management issues; and on the other hand, those who stress path dependency and historical differences tend to focus on state structures, political routines, legal and constitutional forms (Hood 2004).

The evaluation of the PCS undertaken in this research provided evidence that the performance management system component faced major challenges in its

implementation. While one of the challenges was in the determination of outputs, the other major challenge was in the usage of the performance management system to distinguish high-performing civil servants. The problem of distinguishing performers from non-performers in Bhutan's civil service was prevalent in both the Cadre System and the PCS. Even if the performance objectives of Bhutan's public administration in the near future seeks to change from an NPM-related input/output focus to a post-NPM performance objective where multiple objectives that include measuring services, outputs, satisfaction and outcomes are measured, the challenge to distinguish performers from non-performers is likely to continue to remain. The main reason for this is because of Bhutan's collectivist culture and the smallness of the society within which the civil servants operate. In the evaluation of the performance management system of the PCS, one of the main concerns of the managers was the positive ratings that were awarded to civil servants irrespective of their actual performance. It is within such an administrative context that Bhutan's public administration must also look within for suitable solutions. And one of the ways to do this is to learn from the performance management system that was been in operation for centuries within one of Bhutan's oldest organisations, the *Zhung Dratshang*. Unlike most other Tibetan Buddhist establishments where the tradition of reincarnations determines the senior leadership positions, Bhutan's *Zhung Dratshang* operates on the basis of meritocracy. Article Three of Bhutan's Constitution clearly specifies the appointment process of the *Je Khenpo* and the five *lopons*. The King of Bhutan makes the final appointment based on the recommendations of a committee, of a person who is learned and respected in accordance with the qualities of spiritual master and accomplished in *ked-dzog* (that is, stages of development and completion in Buddhist practice). The identification of performers in the *Zhung Dratshang* is based on a combination of experience, seniority, qualifications and other qualities. For the post of *Rabdey Netens* and *Shedra Udzins* a minimum qualification of an undergraduate degree in Buddhist philosophy is required and other qualities such as administrative and public relations competence is important, especially for *Rabdey Netens*. Therefore, to find a performance management system that fits Bhutan's public administration it is recommended to look for a suitable paradigm that combines aspects of performance management system of the Western paradigm with a paradigm based on the traditional religious establishment of Bhutan.

## 9.6 Conclusion

This chapter formed the main discussions of the thesis and it connected the findings and results of the implementation of the PCS in Bhutan's civil service to the literature on public sector reform. The chapter was divided into four sections that examined the reform trajectories, debate between theory and practice of public sector reforms and hybridity in public administration. Although each section is a separate theme by itself, they have been set out in a way that each section leads to the next section. The first section discussed the trajectories of public sector reforms by examining three key questions: why do countries initiate public sector reforms, what are the characteristics of the reform, and how do pathways emerge. A common pattern that runs through the three questions is the debate about convergence and divergence in public sector reforms. It was observed that convergences tend to occur mostly in relation to the first two questions, that is, why countries initiate public sector reforms and what are the contents of the reform package. These convergences were mostly at the theoretical level, or "theoretical convergence" as explained by Hughes (2003). The divergences in public sector reforms occurred mostly at the practice level, when countries actually implemented the reforms. One of the reasons for the divergences in the implementation of the reforms was because of the differences in the context and culture among the countries.

The discussions on the theoretical convergence and implementation divergence of public sector reforms set out the discussions for the following section on the debate on the theory versus practice in public administration. In this section, we discussed the gaps in theory and practice in public administration and that the intention of theory in public administration to help normatively to create ideal types that would help to predict or inform probable consequences of actions undertaken. The divide between theory and practice was also one of the main reasons that lead to hybridity in public administration. The third section of the chapter focused on the reasons why hybridity occurs in public administration. In addition to the divide between theory and practice that leads to hybridity, the other reason is the nature of the reform. Drawing on the discussions from previous chapters on the difference between incremental reforms (or normal policy making) versus transformative reforms (or paradigm shift reforms), the reasons for hybridity is because of the interaction of the context and the culture of the reforms. The

section argues that institutional context and the culture of the country where the public sector reforms are applied matters. And in looking for a solution that works, particularly when applying transformative reforms such as the performance management system in Bhutan, it helps to search for experiences within the country. This discussion on path dependency drawn from the historical institutionalism tradition forms the fourth section of the chapter.

In the next chapter, I also conclude the thesis by synthesising the findings to answer the main research questions set out in the start of the thesis. Based on the discussions in the last section of this chapter, which looks for a “good PA”, I also set the stage for a set of policy and theoretical implications of the thesis.

## **Chapter 10: Conclusion**

### **10.1 Introduction**

This final chapter of the thesis concludes the discussions by connecting all the chapters to the main research question set out in Chapter One. In drawing this thesis towards a close, the first section of the chapter answers the main research question and sub-questions relating to the dynamics of public sector reform. The following sections cover the implications of this study. The second section discusses the policy implications and includes a set of recommendations that the Royal Government of Bhutan could initiate based on the findings of the thesis. The third section includes a set of theoretical implications and discusses how this thesis contributes to the broader knowledge on public administration and public sector reforms in particular.

### **10.2 Answers to the research question and sub-questions**

The main purpose of the thesis was to examine the dynamics of public sector reform through the investigation of the implementation of the PCS in Bhutan's civil service. In doing so, I utilised the description of the "dynamics" of policy provided by Capano and Howlett (2009) to break down the overarching research question into three sub-questions. Firstly, through the aspect of the dynamics of policy that examines the debate over revolutionary or evolutionary nature of policy change, I asked: What are the paradigms and ideal types in the field of public administration? Secondly, building on the unresolved dilemma of the scope and timing of the change, I asked: How does scope and timing influence the evaluation of public sector reforms? And finally, exploring the different view regarding the drivers of change and their forms of interaction, I asked: How do the drivers of change and their forms of interaction shape reforms?

Throughout the thesis I have answered each of these questions. More specifically, in Chapters Three to Six I focused on identifying the paradigms and ideal types in public administration. The paradigm notion also helped in differentiating normal policy making from paradigmatic change reforms. The ideal type typology proved its usefulness by mapping the Bhutanese public administration at different stages of its

administrative history. The typology provided for an insightful way to show how hybrid systems exist in reality. In Chapter Seven I provided answers directly to the question on the scope and timing of the evaluation of public sector reforms. By employing a mixed-method approach, I evaluated the PCS based on the perceptions of the civil servants in Bhutan. And in Chapters Eight and Nine I focused on answering the question pertaining to the drivers of change and their form of interaction. Based on the experiences with the implementation of the PCS, I focused on some key points such as policy transfer, signalling of reforms, change management, stakeholder participation and the impact of culture and values. In the following sections, I summarize the main findings of the thesis by directly answering each of the research sub-questions.

### **10.2.1 What are the paradigms and ideal types in the field of public administration?**

A simple answer to this question would be that public administration generally has two main paradigms, traditional public administration (TPA) and new public management (NPM), and other emerging models. The TPA is largely based on Weber's bureaucracy, Wilson's politics – administration relationship and Taylor's principles of scientific management. NPM, on the other hand, derives its characteristics from neo-institutional economics and principles of management based on the private sector. Recent years have seen other emerging models as post-NPM paradigms. Most of the models attempt to overcome the inherent weaknesses of the NPM and also solve some of the puzzles that TPA and NPM paradigms do not address. In addition to these, I have also included the patronage system as a pre-paradigm period that serves as a platform for the emergence of a paradigm. Prior to the TPA, the patronage system existed as an incentive system that was based largely on political patronage. The patronage system still continues to be relevant for developing countries and countries with authoritarian regimes. In the field of public administration, however, there are debates as to whether or not these paradigms exist at all. In Chapter Three I engaged in this debate, and observed that using the notion of paradigms based on Thomas Kuhn's concept of paradigms in the scientific field was complicated, particularly with regard to the incommensurability principle of the paradigm. Nonetheless, applying the concept of paradigms in the field of public administration was a useful rhetorical device and helped in drawing out the notions of exemplars and paradigmatic changes. Based on the idea of exemplars of the

paradigms of public administration, an ideal type typology was developed, and using the idea of paradigmatic changes, we observed that transitions in public administration are more evolutionary than revolutionary. Chapter Four focused entirely on describing the characteristics of the ideal types in public administration. The ideal type typology examined the characteristics of the four paradigms and models of public administration. In particular, I described characterisation, citizen–state relationship, accountability of senior officials, dominant focus/guiding principles, key attributes, preferred system of delivery, performance objectives and role of public participation. This ideal type typology was particularly useful in showing the layering of the different aspects of public administration resulting in the hybridity of public administration systems. The concept of paradigms also helped in differentiating the impacts and tensions of paradigmatic change reforms and normal policy making reforms or incremental reforms.

As evidence of the usefulness of the ideal type typology based on the paradigms of public administration, I applied the Bhutanese public administration against the typology of ideal types. Through a historical description of Bhutan's public administration in Chapter Five, I demonstrated how various combinations of hybridity occurred at different stages of its history. For instance, from the period of the 1950s (that is, since the inception of socio-economic development) until 2005 (that is, before the PCS was implemented), Bhutan's public administration comprised a paradigm of the patronage system and the TPA. After 2006, with the implementation of the PCS and other governance-related reforms, Bhutan's public administration comprised a paradigm of TPA, NPM and the patronage system. In Chapter Six, I also engaged in the debate of the various components of the PCS as revolutionary or evolutionary. In this respect, the PCS was a perfect example of a combination of public sector reforms that included both sets of evolutionary (normal policy making) as well as revolutionary (paradigmatic change) reforms. The two categories of the components of the PCS, as either normal policy making (which included classification of position and occupational groups, recruitment, selection and promotion system, and human resource development) or paradigm shift policy (which included performance management system and remuneration and benefits), helped to segregate the interactions, influence and tensions of the PCS reform.



### 10.2.2 How does scope and timing influence the evaluation of public sector reforms?

Again a simple answer to the research sub-question of how the scope and timing influence the evaluation of public sector reforms would be that the scope and timing influence the evaluation of public sector reforms considerably. For instance, when I conducted the opinion survey in 2011, it was already five years since the PCS was approved for implementation in 2006. During this period, the overall perceptions of the civil servants towards the PCS had changed. In the initial years, the PCS was severely criticised and was blamed for weakening the Bhutanese civil service. However, by 2011 the perceptions changed, and a large number of the respondents viewed the PCS positively (41% positive and 10% very positive views of the PCS against the 14% negative and 4% very negative views). This change in perceptions towards reforms is an important factor to consider when deciding when to evaluate the reforms. Generally, as pointed out by Pollitt and Bouckaert (2004), reforms can take anywhere from three to five or more years before the benefits of a change are visible. Thus, in Chapter Seven I posited that the change in perception towards the PCS over the years meant that the reforms took a few years before it could settle. I also argued that one of the key challenges in evaluating the PCS reforms is determining the timeframe within which the reforms are evaluated, and that evaluations need to be conducted at several phases of the implementation to get a more robust evaluation of the success or failure of these changes.

To determine the influence of scope on the evaluation of public sector reforms, I examined the entire spectrum of the policy process in the formulation and implementation of the PCS. The existing literature on policy evaluation points to various challenges when determining policy success or failure, such as in determining what the goals and objectives are the disconnection in the links between the various aspects of the policy process in public sector reform process. The literature also points to gaps in post-reform evaluations. In Chapter Seven, I evaluated the PCS based on the policy processes and the type of policy making. The evaluation of the policy processes included examining the findings on the formulation, transition management and implementation of the PCS. The findings showed that the PCS generally followed the policy cycle process with agenda setting, reform formulation, decision-making and

implementation processes in place. However, there were some issues in each of these processes. In the formulation phase, the scope of the reforms changed substantially when managers, consultants and focal persons were replaced. From just being a classification exercise in 1999 when the PCS was first conceived, by the end of 2005, the PCS was a comprehensive tranche of public sector reforms. Other issues in the formulation stage of the PCS were the weak capacity of the focal persons and the lack of opportunities for the civil servants to provide feedback. In the implementation process of the PCS, what comes across as a major weakness is the poor management of the transition from the Cadre System to the PCS.

Evaluating the PCS based on the type of policy making helped in determining when change could be considered fundamental or marginal. The classification of the components of the PCS as normal policy making and paradigm-shift policy revealed the different dynamics of the reform. The normal policy making aspects that included components of the PCS sought to bring changes in the Bhutanese civil service within the characteristics of the TPA paradigm, and the paradigm-shift policies that included those components of the PCS which attempted to move from the TPA paradigm to the NPM paradigm. With the normal policy making components of the PCS, the findings showed that only minor problems were faced during implementation. For instance, in the implementation of the classification of positions and occupational groups, findings showed that not all job descriptions were constructed properly certain positions were not included in the position directory. Thus, making it difficult in its implementation and. Similarly in the case of another normal policy making component of the PCS, that is, the recruitment, selection and promotion component, an implementation issue pertained to the open competition process that led to a loss of professionalism as applicants with a specialised skill or qualification could not be denied an opportunity to apply for another vacant post which may or may not require that particular skill or qualification. When evaluating the paradigm-shift policies of the PCS, however, the dynamics were quite different to those of the normal policy making components of the PCS. The paradigm-shift policies of the PCS included the performance management system and the remuneration and benefit components. The remuneration and benefit component, however, was not approved for implementation due to the probable financial implications. In Chapter Seven I provided evidence to support the idea that the implementation of the performance management system faced major challenges. Some

of the key challenges faced were in the difficulty in identifying targets and in performance appraisals. While it was required that managers and employees sit together to determine targets and rate performance, in reality, the joint sitting never took place. Also, managers found it challenging to rate employees poorly, thus making it difficult to differentiate the high performers from the non-performers. I argued that in the case of the paradigm-shift policies, the main obstacles towards smooth implementation were contextual and cultural factors that contributed towards a complex dynamics of public sector reform.

### **10.2.3 How do the drivers of change and their forms of interaction shape reforms?**

Based on the evaluation of the PCS in Chapter Seven, the answer to the question of how the drivers of change and their forms of interaction shape reforms is that, as with most institutional reforms, “it depends”. And in the case of the PCS and its implementation in Bhutan’s civil service, I posited that the nature and impact of the reform depends, firstly on socio-economic and political and cultural factors, and secondly on cultural factors. Due to the importance of contextual factors on the dynamics of the PCS, I spent considerable time discussing them in Chapter Eight, and I summarize them here. But before engaging in the contextual discussions, I examined some of key topics based on the experience of the implementation of the PCS in Bhutan. I categorised them under the heading Drivers of Change in Chapter Eight and included topics such as policy transfer, signalling and symbolism of the reforms and change management and stakeholder participation. Most of these topics are common issues that most countries, both developed and developing, face when implementing reforms. PCS exhibited typical policy transfer-related problems by depending on international advisors and consultants for ideas. Signalling games and symbolism was also common with the PCS, which was being announced as the “new civil service order”. The transition from the Cadre System to the PCS, which was a critical exercise to ensuring the success of the PCS, was largely ignored. The reform formulation process did not engage in a wider arrangement with its key stakeholders.

A significant contribution to the literature on the dynamics of public sector reform, based on the experience of the PCS in Bhutan that I add, is the emphasis on the importance of considering the culture and administrative context that public sector

reforms are applied within. In Chapter Eight, I argue that the normal policy making components of the PCS did not face serious challenges to impede their implementation, whereas with the case of paradigm-shift reforms, it was important to consider the contextual and cultural prerequisites. I emphasized the importance of the political and economic contexts, particularly when implementing NPM-related reforms based on neo-institutional economic theories. A case in point to illustrate the importance of context was that the performance management system required a favourable fiscal environment that would enable agencies to identify and set goals and targets. In the case of Bhutan, the uncertainty of donor funding made it difficult to plan and identify targets. I also emphasized the importance of the cultural context when implementing reforms. In general, paradigm-shift reforms are normally embedded with certain national and organisational culture and values. For example, the performance management system based on the NPM emphasizes strong Western values of competition and individualism. And based on Hofstede's VSM 2008, I generated the scores for the cultural dimensions of Bhutan, which showed that Bhutan is a very collective society. I argued that it was when such cases of mismatch in culture occurred that paradigm-shift reforms were unsuccessful. As a consequence of the dynamics of the PCS, Chapter Nine connected the findings of the thesis to the broad literature on public sector reform. In doing so, it examined the trajectories of public sector reforms and it showed how there are convergences and divergences in reform pathways. The thesis showed that the convergences in reform patterns occurred mostly at the theoretical level, whereas it was at the implementation level where there were divergences, and that these divergences were mostly on account of contextual and cultural differences among countries or public administration systems.

As a result of the dynamics of public sector reform and the nature of public administrative systems, an important contribution that the thesis makes is to offer reasons that lead to hybridity in public administration. While the extant literature points to the accelerating pace of public sector reforms due to developments of ideas, demands and structures of a nation as one of the main causes of hybridity in public administration, based on the experience of the implementation of the PCS in Bhutan, I argue that hybridity in public administration can also be explained by two other causes. First cause can be seen when we compare the reality to the ideal, and we see the hybridity of practice. With the PCS, the shortcomings of the implementation of the

performance management system provided a good example of this. In an ideal situation the performance management system was to function according to the output-based NPM paradigm but in its implementation it functioned similarly to the input-based TPA paradigm. The second cause of hybridity in public administration is dependent on the type of public sector reforms. Depending on whether or not they are normal policy making or paradigm shift reforms, the impact of the reforms differs depending on the prevailing context and culture of the public administration. I argue that it is the challenges in the implementation of the paradigm shift reforms that enable hybrid systems to exist.

### **10.3 Policy implications of the thesis**

An underlying justification for choosing PCS as a case study for the thesis was so that it would serve as a basis for the next era of reforms in Bhutan. Based on the findings of the thesis, a set of policy implications is highlighted for Bhutan's civil service. Two sets of recommendations are proposed. The first one is a long-term vision for Bhutan's civil service and the other is a set of immediate actions that need to be introduced to rectify some of the problems that came along with the PCS or the PCS was unable to solve.

#### **10.3.1 A vision of the civil service based on the next era of reforms**

Bhutan's civil service is currently on a path towards incorporating NPM-related reforms. The implementing of the performance management system component of the PCS was one of these NPM-related reforms. Prior to the implementation of the PCS in 2006, some NPM-related reforms were already initiated such as the privatisation of state-owned enterprises and delinking some of the agencies of the government. After 2006, there have been other NPM-related reforms, and one of the most recent is the signing of performance compacts. In recent months, the Prime Minister of Bhutan has signed numerous performance compacts with the *dzongkhags* and soon performance compacts will also be signed with the ministries and agencies (Kuensel 2014a). Another NPM-related reform is to delink agencies from the civil service and create autonomous agencies. In the past, mostly those agencies that were directly involved in the commercial activities were delinked. An example is the Bhutan Power Corporation, which was involved in the wheeling and distribution of electricity produced by the hydroelectric projects, and was delinked in 2002. In 2011 the Royal University of

Bhutan was delinked from the civil service, and the primary reason for the autonomy of the Royal University of Bhutan was to 'strengthen management and improve service delivery' (Kuensel 2014b). However, the autonomy of the Royal University of Bhutan has raised issues about whether or not the granting of autonomy will 'open a Pandora's box' and that the 'precedent will not bode well for a small country like Bhutan' (Kuensel 2014b). Blackman et al. (2010) also echo a similar view and argue that the small size of the country could actually facilitate implementation of a centralised strategic human resource management policy effectively instead of working at various levels. Thus, the civil service of Bhutan rather than following the NPM pattern of reforms could opt for a whole-of-government approach to merging or even centralising the civil service. In doing so, Bhutan's public administration would be skipping linear pathways of paradigmatic changes. Public sector reforms need not always pick and choose a particular set of paradigms. Although the paradigms of public administration have developed in a linear pattern, it is perhaps wrongly indicative of a step-wise progression. This systematic evolution might work in theory or in some countries. But Bhutan's experience reveals that this is not always the norm. It is generally expected that systems based on TPA would evolve into the NPM paradigm which would then continue to change. In Bhutan only certain aspects of NPM have been incorporated. It may be the case that the system will move on to incorporate new features of the emerging paradigms simultaneously. Whether or not this step-wise progression is necessary is another point that the Bhutanese case highlights. As some features of the paradigms are moving in a somewhat cyclical manner (for example, the move from centralisation in the TPA to decentralisation in NPM and back again to some form of centralisation under new trends such as whole-of-government), it may make sense for the public administrative system in Bhutan to skip steps to move to the next level.

Therefore, if properly implemented, centralisation of human resource functions, which is one of key features of the TPA, need not necessarily be outsourced to the private sector or delinked from the civil service. Since changes are taking place fast in the Bhutanese polity, it might be the case that a skip is desired in the public administrative system to remain in tandem with the economic and political changes. The UN (2005, 61) points out that such 'leap-frogging' is possible and there is certainly a 'latecomer advantage' in public administration where governments 'need not wait until a fully-fledged, functioning traditional public administration is in place in those priority areas

before implementing NPM initiatives'. They caution, however, that government must have in place 'vital accompanying administrative support and infrastructure relevant to each particular problem' (UN 2005, 61). Therefore, in order for the civil service in Bhutan to adopt a whole-of-government approach, the RCSC must be seen as a facilitative body rather than as one attempting to grab and centralise power.

### **10.3.2 Immediate policy recommendations**

With the experience of the implementation of the PCS in Bhutan, and particularly the initial negative reaction to the reforms, the government was cautious with any new reform initiative. An example of this was the rejection of the recommendations of the organisational development (OD) exercise initiated in 2007 by the RCSC. According to O'Flynn and Blackman (2009, 133), a bold initiative was attempted by the Bhutanese government to implement the OD exercise as a 'system-level change' and beyond just its typical use as a 'planned change approach'. The OD initiative, which was nearly quite as comprehensive as the PCS, was not approved for implementation by the government. O'Flynn and Blackman (2009), whose study was conducted while the OD exercise was still being formulated, had already warned of possible challenges and tensions in the implementation of the reform. Furthermore, with the PCS, an official of the RCSC commented that all new legislations such as the Civil Service Act of 2012 and the subsequent revisions made to the civil service rules and regulations have avoided mentioning the term "PCS" (R1). However, irrespective of whether or not the term "PCS" is used, there still remains the problems in the system that have either resulted because of the PCS or that the PCS was unable to resolve. Some of the key problems that the next era of public sector reforms must resolve are the following:

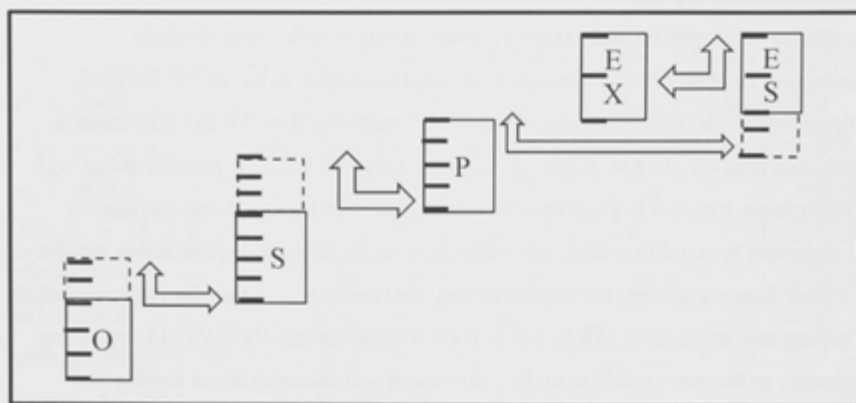
1. Issue of performance management: Presently, the Bhutanese civil service continues to be challenged with the problem of how to identify and distinguish the performers and non-performers. The findings of the thesis also demonstrated that the processes and forms of the performance management system were quite comprehensive, and that it was in the evaluation of these forms where there was a problem. The culture and context within which these forms were evaluated made it challenging for the managers to effectively evaluate their staff, thus leading to a situation where there are large numbers of outstanding performers. A strategy to rectify this problem

could be a situation where agencies are required to identify a certain number of their high-performers and low-performers (for example the top 5% or 3% and the bottom 5% or 3%). The rest of the staff get an automatic promotion based on fulfilling the minimum number of years of service required in a particular position. All staff will have to continue using the performance management system forms so that it helps staff identify their goals and targets and also to help the agencies choose those civil servants in the top and the bottom categories. For those in the high-performing category, the agencies will have to provide strong justifications for their nominations and submit it through their HR Committee to the RCSC for final approval. Of the total nomination that RCSC receives, it could also then select a targeted number of approvals each year. For those who have been selected as high-performers, they could get one to two years out-of-turn promotions and also be nominated for civil service awards. For those in the lower non-performing category, if their names are submitted consecutively for two or more years then an appropriate human resource action will be taken. It must be noted that there should not be any penalty as the bosses will again be put into a moral dilemma about meting out negative actions. So in such cases where poor performance is identified, those civil servants should be counselled, sent for in-country training or transferred to another agency. However, the Bhutanese civil service needs to be mindful that at some stage of the performance management system, performance management must be connected and implemented together with performance pay (that is, the performance bonus component of the rejected remuneration and benefit).

2. Issue of stagnation and professionalism: The findings of this thesis showed that two points of stagnation in the Bhutanese civil service can be observed on account of the PCS. The first stagnation point was at the P1 position level, which is the one step below the Executive and Specialist category. The specialist category is used as a temporary outlet, which defeats the purpose of creating a highly specialised and skilled group of civil servants as specialists. The other point of stagnation is at the S5 level, which is one step below the Professional and Management category. The only way for those in the S5 level to move was to upgrade their qualifications which resulted in the loss of a particular skill set. Therefore to address the problems of stagnation and loss of professionalism, it is recommended that the number of position levels in the Operations, Supervisory and Support and the Specialist



categories be increased (refer Figure 15). There should also be provision to move laterally along the same position category or move laterally into another position category (indicated by the block arrows in Figure 15). Moving vertically allows them to retain their professionalism and at the same time earning a higher wage rate. And the provision to move laterally provides the flexibility to the civil servants to consider a change if they want to.



**Figure 15 Recommendation for stagnation and professionalism**

Although the Bhutanese government might see the need for more systemic reforms in the public sector, these sets of recommendations are proposed in light of the experience of the implementation of the PCS. As shown in this thesis, undertaking a comprehensive reform such as the PCS is a major challenge. It has also been suggested that “vertical reforms” which focus on specific public sector organisations are more likely to succeed than are “horizontal reforms”, that is, reforming administrative systems across the civil service (Andrews 2008). In addition, and particularly in the context of developing countries, public sector reforms should ‘only address a few problems at a time’ because of scarce financial, human and political resources (Andrews 2008, 178). In such cases it makes sense to focus on sequencing the reforms rather than all at once, and implementing easier reforms first and then focus on the more complex reforms, or within the current scenario focus on reforms that require only incremental changes to the public administration system.

## **10.4 Theoretical implications of the thesis**

In Chapter One, the significance of this research was outlined as contributing to the extant literature on public administration in three main areas. First is to use the notion of paradigms to identify the various ideal types in public administration and also to explain hybridity in public administration. The second area is in the evaluation of public sector reform. And the third is recognising the importance of culture and context when implementing public sector reforms. This section discusses each of these three main theoretical contribution of the thesis.

### **10.4.1 Using paradigms to explain ideal types and hybridity in public administration**

Drawing upon the Kuhnian notion of paradigms applied in the field of natural science, this thesis examined the paradigms in public administration. In addition to the existing paradigms of public administration, which are the TPA and NPM paradigms, the thesis also explored some of the emerging models of public administration such as the governance models and public value management models. Based on these paradigms and models of public administration an ideal type typology was also developed that highlighted the characteristics of public administration systems. An important original contribution of the thesis to the ideal type typology is the addition of the characteristics of the patronage system. Using a paradigmatic approach in public administration has helped shape the discussions of the thesis in two ways. The first is in explaining hybridity in public administration. Through Bhutan's history of its public administration, the thesis demonstrated that it has been hybrid in nature. While prior to the 1960s it was mostly based on the patronage system, however, after the 1960s the Bhutanese administrative system has had a mix of characteristics of the patronage system and TPA paradigm (between 1960 and 2006) and in recent years a mix of TPA, NPM and traces of the patronage system and some of the new emerging models.

The second useful way in which a paradigmatic approach helped shape the discussions was the notion of paradigmatic change and the identification of public sector reforms as either normal policy making or paradigm shift reforms. Public sector reforms often comprise a bundle of reforms. In such cases, it is important to separate them as either

normal policy making or paradigm shift reforms in order to determine the dynamics of the reforms. The experience with the implementation of the various components of PCS in Bhutan showed that the normal policy making reforms are relatively easier to implement than paradigm-shift reforms. This is of course assuming that all other factors of the policy design and implementation, such as the formulation, change management and implementation aspects of the reforms, which in their own right are important to consider, have no major issues. The advantage of segregating the PCS into the two categories also helped in troubleshooting and focusing on the main problems of the various components of the PCS rather than just making a blanket assumption that PCS had failed entirely because of issues with one particular component of the PCS.

#### **10.4.2 Evaluating public sector reforms**

A theoretical implication of the thesis is towards evaluation of public sector reforms. Using a mixed-method approach that included a series of in-depth interviews with elites in the Bhutanese civil service and an opinion survey with civil servants across the country, information was generated that was used for the evaluation of the PCS. In the evaluation, the thesis used a revisionist approach to policy evaluation. The revisionist approach basically seeks to take a holistic approach to evaluation by examining the process, programmatic and political dimensions of policy. Although an evaluation of the political dimension was not possible on account of the PCS operating in a setting where the political system was still under the monarchy, a thorough evaluation of the process and programmatic dimensions were conducted in the thesis.

In the field of policy evaluation, Sanderson (2002, 6) points out that evaluation research is used more conceptually rather than instrumentally 'reaching decision makers in unsystematic and diffuse forms'. This thesis speaks to that gap in the literature and connects the evaluation of the PCS to how it can serve as the basis for future reforms. The thesis is also one of the few empirical studies that has used the revisionist approach to policy evaluation in the field of public administration. Such a holistic approach to evaluating the effect of public sector reform based on the experience of the evaluation of the PCS reveals some important points with regard to evaluation of public sector reforms. Firstly, it is difficult to determine whether or not a reform can be strictly said to be either a success or failure. The evaluation of the PCS showed that that each

component of the PCS had a different result and perceptions of the reforms varied for each of the actors affected by the reforms. Secondly, the variables that influenced the outcome of the reforms depended on different dimensions. For the PCS, the process dimensions were important factors that influenced the implementation of the reforms. One of the important factors that influenced the implementation of the PCS was the lack of stakeholder participation, which made it a challenge to get people's buy-in when implementing the reforms.

#### **10.4.3 Importance of culture in public administration**

Another significant contribution of the thesis is to demonstrate the importance of culture in public administration. In doing so, the thesis generated original data for Bhutan using Geert Hofstede's Values Survey Module (VSM 2008) and used it as a basis for comparing the culture of the countries the PCS was based on. The experience of the implementation of the PCS showed that where the values that came attached with the components of the PCS matched the culture of Bhutan there was less resistance to change, and where there were clashes in the culture there was more resistance to change. The lesson to be learnt in this case is to emphasize the fact that one-size public sector reforms do not fit in all instances. Although a cliché, public sector reforms that work for a particular country or a group of similar countries do not necessarily work for other countries. Analysts and practitioners refined practices from prior reforms or superimposed them on each other. For instance, instead of drawing solely from the principles of NPM and creating a departure from past traditions of public administration (Page 2005).

Another lesson to draw on the experience of the PCS is that countries must learn not only from abroad but also from within the country. The field of public administration is rife with policy transfers taking place continuously and at different levels, too. In this respect, comparative analysis of public administration practices, structures, functions and behaviours in different countries helps to advance administrative knowledge and improve the reliability and applicability of public administration knowledge (Jreisat 2010, 612). While exchanges of ideas take place between developed nations, and the level of interaction is two-way, in the case of developing nations, policy transfers are mostly one-way, that is from the developed nations to the developing nations. The PCS

to a large extent was based on public sector practices in other countries. The experience with the implementation of the performance management system of the PCS highlighted the need to adapt the reforms to suit the Bhutanese cultural context. It is precisely such when such a mismatch occurs that countries need to look for examples either within the country or for similar countries that share common paradigms. It is here that Drechsler's (2013) notion of an Eastern paradigm is helpful. Using Bhutan as an example, to rectify some of the problems faced in the design of a performance management system that suits the Bhutanese context, it may perhaps make sense to look to its centuries-old religious establishment. Bhutan's early public administration in the seventeenth and eighteenth centuries was largely influenced by *Zhabdrung* Nawang Namgyel and his dual system. The religious order (or the *choe*) still exists in its original form. With an elaborate and hierarchical organisational structure, the *Zhung Dratshang* has an embedded system of promotions that it awards within its ranks. The Bhutanese civil service could look towards the *Zhung Dratshang* for a workable solution to its performance management system. In effect, the public administration system should seek the paradigm that best describes itself to suit the local political and cultural context. Brandsen and Kim (2010, 372) recommend that public sector reforms must fit 'into cultural templates' and must be 'polysemous' (that is, open to many interpretations) if this is to be successfully implemented. In this respect, using the ideal types as a typology is helpful to determine the ideal type that would best suit the needs of a particular country. Rather than identifying characteristics of only one paradigm, public sector reforms should strive towards a synthesis of public administration with the best characteristics.

## 10.5 Conclusion

The final chapter of the thesis brought an end to the discussions on the dynamics of public sector reform based on the experience of the implementation of the PCS in the Bhutanese civil service. The PCS, which comprised a major tranche of public sector reform, and its application in a unique administrative setting in Bhutan that is a mix of different paradigms and models of public administration, presented itself as a good case study to answer some of the big questions in the existing literature of public sector reforms. In this chapter, drawing from the discussions from all of the previous chapters, I summarised the three research sub-questions of the dynamics of public sector reform.

The three questions which formed the first section of this chapter are: what are the paradigms and ideal types in the field of public administration, how does the scope and timing influence the evaluation of public sector reforms, and how do the drivers of change and their forms of interaction shape reforms.

The second and third sections of the chapter laid out some of the policy and theoretical implications of the thesis. In the policy implications, a set of recommendations were proposed. One of the recommendations was for the civil service in Bhutan to be mindful of its long-term vision based on the global trends in public administration vis-à-vis its own needs and context. Furthermore, based on the findings of the thesis two other immediate recommendations were also suggested to resolve problems, which are issues related to performance management and stagnation in the civil service. The theoretical implications of the thesis highlighted the contributions made by the findings of the thesis to the field of public administration. Three of the key contributions were discussed. The first is the use of the notion of paradigms to explain ideal types and hybridity in public administration. Secondly, the use of a mixed-method and a revisionist approach to evaluating public sector reforms. And finally, the thesis ended with a strong emphasis on the importance of culture in the field of public administration.

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## Appendices

### Appendix I: Protocol for in-depth interviews

#### Cover Statement and Consent Form for the In-depth Interviews

**Project Title:** Dynamics of Public Sector Reforms: The Implementation of the Position Classification System in Bhutan's Civil Service

**Researchers' Statement:**

The research is part of the PhD in Public Policy at the Crawford School of Economics and Government at the Australian National University, ACT, Australia. This research project will explore the dynamics of public sector reforms using the implementation of the Position Classification System (PCS) in Bhutan's civil service as a case study. The project is detailed further in the attached Explanatory Statement.

I am asking you to participate in an interview to provide your perspectives to the various processes and aspects of the PCS reforms and the some of the key underlying reasons that lead to the formation of these perspectives. The interviews will be conducted during the period October 2011 through January 2012 and will take approximately 1~2 hours to complete. The interview is for the purposes of this project only.

The information you provide in your interview (and in the final report) will be strictly confidential. Participation in this project is voluntary. You are free to withdraw from the project at any time.

**Interviewee Statement:**

I hereby consent to participate in an interview on the PhD Project on Dynamics of Public Sector Reforms: The Implementation of the Position Classification System in Bhutan's Civil Service. I have read the explanatory statement on the nature of the project and the interview arrangements.

In providing my consent, I note and understand the following:

1. Participation is voluntary and that I can withdraw at any time.
2. I will be interviewed by the researcher and this will take approximately 1~2 hours.
3. The interviewer will come to my office or another mutually agreed location.
4. The researcher will take notes and I will be provided with a copy of the interview notes and have an opportunity to verify them.
5. The interviews may be audio-recorded to assist the researcher with note taking. The audio-records will be destroyed once research is completed.
6. I will be provided with a copy of the final report.
7. I agree to be personally identified in the report: YES/NO

I, \_\_\_\_\_ of \_\_\_\_\_  
(please print your full name) (position title/organisation)

Consent to participating in an interview to assist with the work-based project.

Signed: \_\_\_\_\_ Dated: \_\_\_\_ / \_\_\_\_

#### **A. Questions for Reform Formulators:**

- **Background Questions:**

- When were you involved in the formulation of the PCS?

- At which stage/committee/task force/etc. in the reform formulation process were you involved in the formulation of the PCS?
- Conceptualization of the PCS:
  - Why did you think the PCS was required for Bhutan's civil service?
    - Was a thorough study conducted on the weaknesses (and strengths) of the earlier system?
    - Why did you think it was the system that Bhutan needed?
  - How/Where did you first hear about the PCS?
  - What were some of your initial ideas of the PCS?
    - Is it substantially different from what the PCS now represents?
    - If yes, what are some of the key differences?
  - What were some of the major factors that influenced the introduction of the PCS, apart from addressing the weaknesses of the previous system?
  - Did you at any point of time refer to experiences of other systems that were implementing similar reforms? If yes, could you please elaborate further?
- Formulation of the Reform:
  - What were some of your major contributions towards the reforms? Were all your reforms implemented?
  - In your capacity either as an individual or as a committee member in the reform process, did you consult others for their views—for example, people from your own organization, from the civil service in general, from international donors, or experts from other countries, etc.?
  - What were some of the major challenges and issues that you faced during the time you were involved in the reform formulation phase?
- Implementation of the PCS:
  - Was there an implementation plan for the PCS?
    - If yes, what were some of the steps?
    - If no, did you feel that it was not required?

- Were there any measures adopted to manage the change from the old system to the new system?
  - If yes, what were some of the measures?
  - If no, why weren't the measures introduced? And in hindsight, do you think a change management plan was required?
- Evaluation of the PCS:
  - In your view, and based on the experience of the PCS so far, how would you say that the PCS has had a positive impact or negative impact or has had no impact on the civil service?
  - What might be some of the key factors that have influenced the impacts?
  - What are your reactions to the statement made by the Prime Minister that the PCS has failed?
  - If you had an opportunity, what might you have done differently to alter the impact of the PCS?
- Recent Developments:
  - In your view, has the PCS facilitated in the introduction of new initiative, such as the signing of the Performance Compacts between the Government and the Ministries, and also the de-linking of agencies (such as Royal University of Bhutan, Election Commission of Bhutan, etc. ) from the civil service?

## **B. Questions for Consultants/ International Volunteers**

- Background Questions:
  - What work experience did you have prior to your assignment to Bhutan?
  - What academic qualification do you possess?
  - How did you apply and come to work as volunteers for VSA?
- Contributions:

- At which stage of the reform formulation process did you join?
  - Did you at that point, think that the Bhutanese administrative system required the reforms?
  - When working on the PCS, which country/organization did you use a point of reference or as an example?
  - What were some of your major contributions towards the reforms?
  - In your opinion, did the RCSC willingly adopt your suggestions?
  - What would you attribute as your main contributions towards the PCS?
- Understanding of the local needs:
    - Were you in position to assess the needs of the Bhutanese Civil Service?
    - Did you have a good understanding of the previous system and its strengths and limitations?
    - Did you have a good understanding of the Bhutanese administrative system and values?
    - Were your recommendations adapted to suit the local needs? If yes, in what ways?
- Challenges and Issues:
    - What were some of the main challenges that you faced that affected that impacted the PCS?
    - Were there any recommendations that you had suggested and was not incorporated by the RCSC?
    - What would you have differently then if you had the authority?
    - Did you at any point of your time in Bhutan anticipate that there would be any problems faced with the implementation of the PCS?
- Implementation and Post-Implementation:
    - What are your views on some of the comments on the PCS now?
    - What would be your opinion on the factors that have impacted the perceptions of the PCS?
    - What are your reactions to the statement made by the Prime Minister that the PCS has failed?



### C. Questions for Coordinating/ Implementing Agency (RCSC)

- Formulation of the PCS:
  - Who funded the Project? Were there any influences from the donors?
  - How was the PCS initiated?
    - What were the processes that led to the PCS being introduced since its conceptualization?
    - Who were the key officials involved in the reform formulation?
  - How were the international consultants recruited?
  - What were some of the steps taken to start work on the PCS?
  - How were committee and task force members selected?
  - How were the focal members to the PCS selected?
  - What were the expected roles of the focal members?
- Implementation of the PCS:
  - Did you have a timeline for the implementation of the PCS?
  - Was the RCSC ready for the implementation of the PCS—in terms of policy support as well as resources and time?
  - Was the job-mapping exercise conducted properly?
  - Was the transition from the Cadre to the PCS planned?
  - What aspects of the PCS were approved?
    - If no, why were they not approved?
  - What are some of the key issues faced with the implementation of the PCS?
- Evaluation of the PCS:
  - In your view, and based on the experience of the PCS so far, how would you say that the PCS has had a positive impact or negative impact or has had no impact on the civil service?
  - What might be some of the key factors that have influenced the impacts?
  - What are your reactions to the statement made by the Prime Minister that the PCS has failed?

- Recent Developments

- In your view, has the PCS facilitated in the introduction of new initiative, such as the signing of the Performance Compacts between the Government and the Ministries, and also the de-linking of agencies (such as Royal University of Bhutan, Election Commission of Bhutan, etc. ) from the civil service?
- How was the decision on considering criteria of seniority as a main condition for executives taken? Why?

**D. Questions for Reform Implementers (Senior Executives (Secretaries and Heads of Autonomous Agencies))**

- Introductory Question:

- What is your understanding of the PCS?

- Change Management:

- Was your organization provided adequate resources and assistance in transitioning to the PCS?
- Was your organization overwhelmed with the introduction of the PCS? Would you still say that the change has not settled yet?
- Did you initiate any activities on your own to help in managing the change?

- Implementation:

- Has the PCS been implemented effectively in your Agency? Which of the key strategies of the PCS has been effective?
- What are some of the main challenges that your organizations faces when implementing aspects of the PCS?

- Recent Developments

- In your view, has the PCS facilitated in the introduction of new initiative, such as the signing of the Performance Compacts between the Government and the Ministries, and also the de-linking of agencies (such as Royal University of Bhutan, Election Commission of Bhutan, etc.) from the civil service?

## Appendix II: Protocol for opinion survey

### Explanatory Statement

*(This statement is for participants who agree to be surveyed as part of the research.)*

#### *Research Title*

**The Dynamics of Public Sector Reform:** The Implementation of the Position Classification System in Bhutan's Civil Service

#### **Introductory Statement**

The research is undertaken as a part of the PhD in Public Policy at the Crawford School of Economics and Government at the Australian National University, ACT, Australia. The researcher is Lhawang Ugyel, PhD Scholar at the Crawford School of Economics and Government, Australian National University. The academic supervisor is Dr. Janine O'Flynn of the Crawford School of Economics and Government, Australian National University.

#### **Main Objectives of the Survey**

The main aim of the survey is to determine the perceptions of the Bhutanese civil servants towards the Position Classification System (PCS). Questions in the survey are centred on how civil servants perceive the various components and dynamics of the PCS.

As you are aware the PCS was implemented in January 2006 by the government. The PCS is defined as a process of grouping together positions that are sufficiently alike with respect to duties and responsibilities so they can be treated the same way for the purposes of all human resource actions. And according to the Position Classification System Policy document the main objective of the PCS is to 'promote good governance by enhancing accountability, efficiency and professionalism in the civil service'.

#### **Feedback**

At the completion of the project, participants will be offered an opportunity to view the final survey report. Please send an email to the researcher at the address provided under the contact details, if you would like to receive a copy of the survey report.

### **Confidentiality and Security Procedures**

All information provided by interviewees during the interview will be strictly confidential.

The researcher will ensure that the following requirements are met concerning storage of data:

- Only the researcher will have access to the original data.
- Data will be retained for at least five years.

To protect participants from any distress, embarrassment or other harm that might be caused when data is reported, the following precautions will be taken:

- Anonymity of personal details;
- Password protected electronic files; and
- Locked filing cabinet for storage of any hard copy documents that may identify participants.

### **Contact Details**

Should you have any inquiries about the research please contact either:

1. Researcher:

Lhawang Ugyel  
Room No. 1.20, Stanner Building  
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Lennox Crossing  
The Australian National University  
ACT 0200 Australia  
Phone number: +61 2 61256704  
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2. Supervisor

Janine O' Flynn  
Education Director  
JGC 2.87, Crawford Building,  
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Building #132,  
The Australian National University,  
Canberra ACT 0200, Australia  
Phone number: +61 2 6125 9825  
Email: [janine.offlynn@anu.edu.au](mailto:janine.offlynn@anu.edu.au)

3. Contact person in Bhutan:

Lhawang Ugyel  
Phone number: 17345794

Should you have any complaint concerning the manner in which this research project is conducted, please do not hesitate to contact the Australian National University Human Research Ethics Committee at the following address:

Office of Research Integrity  
Research Office  
Chancelry 10B, Lower Ground Floor  
East Road  
Australian National University  
Acton ACT 0200 Australia  
F: + 61 (0)2 6125 4807

### Instructions for Completing Survey

- This survey is divided into three parts:
  - The first part includes questions on the perceptions on the Position Classification System;
  - The second part includes questions on the Values of the Civil Service (the questions are from Geert Hofstede's Value Survey Module 2008); and
  - The third part is seeking personal information (this is purely for statistical and research purposes only).
- Please answer all the questions in the Survey.
- The survey takes approximately 15-20 minutes.
- Examples for Responses for all questions are to be either:
  - Circled (refer examples below); or

Q. Do you strongly agree, agree, disagree or strongly disagree with the statement that eating breakfast is good for health?

- 1 Strongly Agree
- 3 Undecided
- 4 Disagree
- 5 Strongly Disagree
- 0 Don't Know

Q. Do you strongly agree, agree, disagree or strongly disagree with the following statements?

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Don't Know
Eating breakfast is good for health	1	2	3	4	5	0
Eating dinner is good for health	1	2	3	4	5	0

- Written (refer example below)

Q. What do you normally eat for breakfast?

- Bread
- Egg
- Cereal



## PART I: PERCEPTIONS ON THE POSITION CLASSIFICATION SYSTEM

P01. What is your perception of the PCS?

1. Very Positive
2. Positive
3. Neutral
4. Negative
5. Very Negative
0. Don't Know

P02. What do you think was the overall effect of the PCS on the Civil Service?

1. Strongly Strengthened
2. Strengthened
3. No effect
4. Weakened
5. Strongly Weakened
0. Don't Know

Do you strongly agree, agree, disagree or strongly disagree that each of the following is an important reason why PCS was initiated? (Please circle one answer in each line across)

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Don't Know
P03. Influence of globalisation and international donors (such as UN, World Bank, etc.)	1	2	3	4	5	0
P04. Keep up with socio-economic	1	2	3	4	5	0

changes (for e.g. rapid pace of socio-economic development in the country)						
P05. Keep up with socio-demographic changes (for e.g. increasing specialized and professional needs of the civil service)	1	2	3	4	5	0
P06. Respond to the changing political system in the country	1	2	3	4	5	0
P07. Address weaknesses of the Cadre System	1	2	3	4	5	0
P08. Incorporate new management ideas (for e.g. to introduce new public sector ideas and knowledge in the previous system)	1	2	3	4	5	0
P09. Pressure from the public	1	2	3	4	5	0
P10. Chance events (for e.g. appointment of new Secretary to RCSC, devolution of powers to the CCM, etc.)	1	2	3	4	5	0

P11. Which of the following do you think is the most responsible for initiating the PCS?

1. Royal Civil Service Commission Secretariat
2. Politicians (Council of Ministers)
3. Good Governance Committee Members
4. Executives in the Civil Service
5. Civil Servants in General
6. International Consultants
0. Don't Know

Do you strongly agree, agree, disagree or strongly disagree with each of the following statements pertaining to the processes of the PCS? (Please circle one answer in each line across)

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know
P12. When considering the introduction of PCS, a thorough study of the strengths and weaknesses of the Cadre System (i.e. the system prior to the PCS)	1	2	4	5	0
P13. The agency/ people (for e.g. RCSC, Good Governance Committee, consultants, etc.) responsible for the formulation of the PCS had a good knowledge of it	1	2	4	5	0
P14. The PCS was appropriate for Bhutan's Civil Service in terms of the timing and the systemic needs	1	2	4	5	0
P15. The right people (for e.g. consultants, advisors, committee	1	2	4	5	0

members, representatives from your agency, etc.) were involved in the formulation of the PCS					
P16. Opportunities were provided at various stages of the reform formulation process for you to provide your views on the PCS	1	2	4	5	0
P17. The PCS was implemented as set out in the initial policy document and manual	1	2	4	5	0
P18. Adequate measures were taken to ensure the successful transition from the Cadre System	1	2	4	5	0

Do you think that each of the following objectives of the PCS set out in its policy document was fully achieved, somewhat achieved, or not achieved? (Please circle one answer in each line across)

	Fully Achieved	Somewhat Achieved	Unachieved	Don't Know
P19. The PCS promoted Good Governance	1	2	4	0
P20. The PCS promoted professionalism	1	2	4	0
P21. The PCS placed the right person in the right position	1	2	4	0
P22. The PCS linked individual performance to promotion and rewards	1	2	4	0
P23. The PCS encouraged the pursuit of efficiency	1	2	4	0
P24. The PCS established a fair and equal system	1	2	4	0
P25. The PCS pursued accountability	1	2	4	0

Do you strongly agree, agree, disagree or strongly disagree with each of the following statements pertaining to the specific components of the PCS? (Please circle one answer in each line across)

	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't know
P26. The Major Occupational Groups of the PCS are comprehensive and provides opportunities for specialization.	1	2	4	5	0
P27. The job descriptions for my sub-Major Occupational Sub-group are clearly defined.	1	2	4	5	0
P28. The concept of broad banding facilitates career progression.	1	2	4	5	0
P29. PCS provided equal opportunities for selection to a vacant position in the civil service through an open-competitive selection system.	1	2	4	5	0
P30. The PCS encourages the promotion of civil servants purely based on merit and not seniority.	1	2	4	5	0
P31. The delegation of authority to my agency for regular promotions by the RCSC is facilitative.	1	2	4	5	0
P32. The PCS ensures the identification and meeting of performance targets.	1	2	4	5	0
P33. The introduction of Performance Compacts helps in the identification of performance targets.	1	2	4	5	0
P34. Adequate support and resources are provided to achieve the performance targets	1	2	4	5	0
P35. Supervisors are fair in their	1	2	4	5	0

assessments of the performance appraisal forms.					
P36. The PCS provided opportunities to upgrade qualifications and enhance competencies.	1	2	4	5	0

P37. If the Remuneration and Benefit component (such as performance bonus and flexi-time, etc.) of the PCS had been approved, do you think it would have affected the outcomes of the PCS very positively, positively, negatively, or would have no effect?

1. Very Positively
2. Positively
3. No effect
4. Negatively
5. Very Negatively
0. Don't Know

P38. What are some of the main reasons why you think that the PCS was successful or unsuccessful?

**PART II: VALUES OF THE CIVIL SERVICE**

Please think of an ideal job, disregarding your present job, if you have one. In choosing an ideal job, how important would it be to you to: (Please circle one answer in each line across)

	Of Utmost Importance	Very Important	Of Moderate Importance	Of Little Importance	Of Very Little or No Importance
V01. Have sufficient time for your personal or home life	1	2	3	4	5
V02. Have a boss (direct superior) you can respect	1	2	3	4	5
V03. Get recognition for good performance	1	2	3	4	5
V04. Have security of employment	1	2	3	4	5
V05. Have pleasant people to work with	1	2	3	4	5
V06. Do work that is interesting	1	2	3	4	5
V07. Be consulted by your boss in decisions involving your work	1	2	3	4	5
V08. Live in a desirable area	1	2	3	4	5
V09. Have a job respected by your family and friends	1	2	3	4	5
V10. Have chances for promotion	1	2	3	4	5

In your private life, how important is each of the following to you: (please circle one answer in each line across):

	Of Utmost Importance	Very Important	Of Moderate Importance	Of Little Importance	Of Very Little or No Importance
V11. Keeping time free for fun	1	2	3	4	5
V 12. Moderation: having few desires	1	2	3	4	5
V13. Being generous to other people	1	2	3	4	5
V14. Modesty: looking small, not big	1	2	3	4	5

V15. If there is something expensive you really want to buy but you do not have enough money, what do you do?

1. Always save before buying
2. Usually save first
3. Sometimes save, sometimes borrow to buy
4. Usually borrow and pay off later
5. Always buy now, pay off later

V16. How often do you feel nervous or tense?

1. Always
2. Usually
3. Sometimes
4. Seldom
5. Never

V17. Are you a happy person?

1. Always
2. Usually



3. Sometimes

4. Seldom

5. Never

V18. Are you the same person at work and at home?

1. Quite the same

2. Mostly the same

3. Don't know

4. Mostly different

5. Quite different

V19. Do other people or circumstances ever prevent you from doing what you really want to?

1. Yes, always

2. Yes, usually

3. Sometimes

4. No, seldom

5. No, never

V20. All in all, how would you describe your state of health these days?

1. Very good

2. Good

3. Fair

4. Poor

5. Very poor

V21. How important is religion in your life?

1. Of utmost importance

2. Very important

3. Of moderate importance

4. Of little importance

5. Of no importance

V22. How proud are you to be a citizen of your country?

1. Not proud at all
2. Not very proud
3. Somewhat proud
4. Fairly proud
5. Very proud

V23. How often, in your experience, are subordinates afraid to contradict their boss?

1. Never
2. Seldom
3. Sometimes
4. Usually
5. Always

To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statements? (Please circle one answer in each line across):

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
V24. One can be a good manager without having a precise answer to every question that a subordinate may raise about his or her work	1	2	3	4	5
V25. Persistent efforts are the surest way to results	1	2	3	4	5
V26. An organization structure in which certain subordinates have two bosses should be avoided at all cost	1	2	3	4	5
V27. A company's or organization's rules should not be broken - not even	1	2	3	4	5

when the employee thinks breaking the rule would be in the organization's best interest					
V28. We should honour our heroes from the past	1	2	3	4	5

**PART III: PERSONAL INFORMATION (This information will be used for only statistical purposes)**

D01. Which age group do you belong to?

1. Under 20
2. 20-24
3. 25-29
4. 30-34
5. 35-39
6. 40-49
7. 50-59
8. 60 or over

D02. Please select your gender:

1. Male
2. Female

D03. Please state the Ministry or Agency or Dzongkhag Administration where you are currently working:

D04. Please state the location where you are working:

Gewog/Town	
Dzongkhag	

D05. Please select your Major Occupational Group from the list:

1. Agriculture & Livestock
2. Architectural & Engineering
3. Arts, Culture & Literary
4. Education & Training
5. Executive
6. Finance & Audit
7. Foreign
8. Forestry & Environment Protection
9. General Administration
10. Human Resource Development & Management
11. Information Communication & Technology
12. Laboratory & Technical
13. Legal & Judiciary
14. Library, Archives & Museum
15. Medical
16. Planning & Research
17. Sports & Youth
18. Trade, Industry & Tourism
19. Transportation & Aviation
0. Don't Know

D06. Please state your Sub-Group (if you know it):

--

D07. Please state your Position Level:

D08. Which year did you join the Civil Service?

D09. Please select from the list your highest completed qualification:

1. PhD
2. Masters
3. PG Diploma + Bachelors
4. Bachelors
5. PG Diploma + Class XII/Class X
6. Diploma + Class XII/Class X
7. Class XII
8. Class X
9. Less than Class X

D10. From which country did you earn of your highest completed qualification?

*Response ID #: .....*

***THANK YOU VERY MUCH FOR YOUR TIME AND  
EFFORT!***

### Appendix III: Respondents to the VSM 2008 by agency in Australia

Agency	Numbers
ACT Education and Training Directorate	6
ACT Government	7
ACT Government Chief Minister and Cabinet Directorate	2
ACT Government Health Directorate	1
AusAID	3
Australian Customs and Border Protection Service	1
Australian Securities and Investments Commission	6
Comcare	1
Commonwealth Department of Resources, Energy and Tourism	1
Department of Education, Employment and Workplace Relations	2
Department of Family and Community Services	1
Department of Finance and Deregulation	1
Department of Health Services	2
Department of Immigration and Citizenship	1
Department of Industry, Innovation, Science, Research & Tertiary Education	2
Department of Justice	1
Department of Sport & Recreation WA	3
Department of Transport (VIC)	2
Disability Services Commission (WA)	1
NSW National Parks and Wildlife Service	7
NSW Office of Environment and Heritage	9
NT Department of Mines and Energy	1
Queensland Government	1
Sustainability, Environment, Water, Population and Communities	1
Transport for NSW	2
Victorian State Government	1
Missing	9
<b>TOTAL</b>	<b>75</b>